

GUIDANCE NOTES
GD020-2025



CHINA CLASSIFICATION SOCIETY

**GUIDELINES FOR CERTIFICATION OF
SAFETY MANAGEMENT SYSTEM FOR
SAFE OPERATION OF SHIPS AND
POLLUTION PREVENTION
2025**

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Chapter 1 GENERAL

Section 1 General Requirements

1.1.1. Purposes and Application

- 1.1.1.1. The purpose of the Guidelines is to provide the basic requirements of application, implementation and maintenance for ship safety management system certification, it is the common basic criteria for CCS and the Companies and /or ships of which the ship safety management system have been certified or intended to be certified by CCS.
- 1.1.1.2. The Guidelines is applicable to the ship safety management system certification.
- 1.1.1.3. CCS will implement certification of ship safety management system when requested by a Company, and it applies to the following:
- (1) Statutory audits performed by CCS in accordance with the requirements of Chapter IX of SOLAS as it is authorized by the flag State Administration.
 - (2) Voluntary audits for applying for certificate of ISM Code issued by CCS.
- 1.1.1.4. In addition to the requirements in the Guidelines, the additional requirements relating to ship safety management system certification specified by the flag Administration are to be complied with.

1.1.2. Definitions and Abbreviations

- 1.1.2.1. For the purpose of the Guidelines, unless otherwise stated, the definitions used herein are as follows:
- (1) “Certification” means the audit and evaluation activities to be carried out to certify whether applicable ships and /or companies which take responsibilities for the operation of such ships, comply with the relevant requirements of ISM Code and the Guidelines.
 - (2) “Company” means the owner of the ship or any other organization or person such as the manager, or the bareboat charterer, who has assumed the responsibility for operation of the ship from the shipowner and who on assuming such responsibility has agreed to take over all the duties and responsibility imposed by ISM Code.
 - (3) “Branch office” means a shore-based location identified by the Company responsible under the ISM Code which may perform safety management system related tasks and is operating under the same SMS of the Company.
 - (4) “Administration” means the Government of the State whose flag the ship is entitled to fly.
 - (5) “Safety management system” (SMS) means a structured and documented system enabling Company personnel to effectively implement the Company safety and environmental protection policy.
 - (6) “Safety Management Manual” means the documentation used to describe and implement the Safety Management System (SMS).
 - (7) “Audit” means a process of systematic and independent verification, through the collection of objective evidence, to determine whether the SMS complies with the requirements of the ISM Code and whether the SMS is implemented effectively to achieve the Code’s objectives.
 - (8) “Auditor” means a person^①trained, qualified and authorised in accordance with IACS Procedural Requirement 10 (PR10) to carry out ISM audits and to conclude whether compliance has been achieved .
 - (9) “Lead auditor” means an auditor who is authorised to lead a team of two or more auditors.
 - (10) “Observation” means a statement of fact made during a safety management audit and

^① Auditor fulfils the personal qualification and other pertinent requirements prescribed by CCS.

substantiated by objective evidence. It may also be a statement made by the auditor referring to a weakness or potential deficiency in the SMS which, if not corrected, may lead to non-conformity in the future.

- (11) "Objective evidence" means qualitative or quantitative information, records or statements of fact pertaining to the existence and implementation of an SMS element, which is based on observation, measurement or test and which can be verified.
 - (12) "Non-conformity" means an observed situation where objective evidence indicates the non-fulfillment of a specified requirement.
 - (13) "Major non-conformity" means an identifiable deviation that poses a serious threat to the safety of personnel or the ship or a serious risk to the environment that requires immediate corrective action or the lack of effective and systematic implementation of a requirement of the ISM Code.
 - (14) "Technical Deficiency" means a defect in, or failure in the operation of, a part of the ship's structure or its machinery, equipment or fittings.
 - (15) "Anniversary Date" means the day and month of each year that corresponds to the date of expiry of the relevant DOC or SMC.
 - (16) "Short Term certificates" means certificates with a validity of no more than five months issued by CCS after the completion of the specified audits and prior to the issuance of full term certificates.
 - (17) "Scheduled audit" means initial, intermediate, annual and renewal verification.
- 1.1.2.2. The term "Ships" in the Guidelines includes oil tankers, chemical tankers, gas carriers, bulk carrier, cargo high-speed crafts, other cargo ships, mobile offshore drilling units of 500 GT and above , passenger ships and passenger high-speed crafts to which Chapter XI of SOLAS applies, and other ships that undertake voluntary ISM certification.
- 1.1.2.3. For the purpose of the Guidelines, the abbreviations used herein are as follows:
- (1) IMO - International Maritime Organization.
 - (2) ISM Code - International Management Code for the Safe Operation of Ships and for Pollution Prevention, See Appendix 8 of the Guidelines.
 - (3) SMS - Safety Management System.
 - (4) DOC - Document of Compliance.
 - (5) SMC - Safety Management Certificate.
 - (6) SOLAS - International Convention for the Safety of Life at Sea, 1974 and its Amendments.
 - (7) STCW- International Convention on Standard of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995.
 - (8) PSC – Post State Control.
 - (9) PSCO – Port State Control Officer.
 - (10) FSC – Flag State Control.
 - (11) QSCS – Quality System Certification Scheme of International Association of Classification Societies.

1.1.3. Basis for the Guidelines

1.1.3.1. Basis for development of the Guidelines is as follows:

- (1) Conventions, Codes, Resolutions and relevant requirements adopted by IMO and IACS, as appropriate;
- (2) Experience in application.

Section 2 Application and Fees

1.2.1. Application

- 1.2.1.1. The Company and/or ship requesting certification of Safety Management System or maintenance of the certificate is to submit a written application to CCS or its local branches or the branches designated by it, and if necessary, certification service contract and/or agreement may be signed.
- 1.2.1.2. Where the company applying for certification has no ships classed with CCS or the ship applying for certification is not classed by CCS, pre-assessment is to be carried out by CCS before the application is accepted.

1.2.2. Fees

- 1.2.2.1. The applicant is to pay audit fees, traffic fees and other necessary expenses in accordance with CCS tariff and/or contract and/or agreements.
- 1.2.2.2. The applicant is to pay relevant fees in case of the audit terminated or the related activities duplicated due to the applicant.

Section 3 Responsibilities and Limitation of Liability

1.3.1. Responsibilities and Obligations

1.3.1.1. Responsibilities and Obligations of the Company

- (1) The certification of Safety Management System conducted by CCS does not relieve the Company, the management, officers or seafarers of their obligation to comply with the International Conventions, regulations, guidelines and legislations of the administration related to safety and protection of the environment.
- (2) The Company is responsible for:
 - ① informing relevant employees or organizational units about the objectives and scope of the audit;
 - ② appointing responsible members of staff to accompany auditor(s);
 - ③ providing the resources needed by auditor(s) to ensure an effective and efficient audit process;
 - ④ providing access and objective evidence as requested by auditor(s);
 - ⑤ cooperating with auditor(s) to permit the audit objectives being achieved; and
 - ⑥ conducting internal audits ashore and on board.
- (3) After the certification, the Company is responsible for:
 - ① maintaining the effective functioning of the SMS of both the Company and its ships;
 - ② immediately notifying CCS when substantial modifications to the SMS are introduced, including significant organization restructuring of the system (such as the establishment of branch office) and changes in the operations that introduce new hazards. Additional audit may be carried out for such modifications;
 - ③ requesting additional audit when required;
 - ④ immediately notifying CCS when any changes to its fleet have taken place.

1.3.1.2. Responsibilities and Obligations of CCS

- (1) CCS ensures that the certification process is carried out in accordance with the requirements of

The Guidelines and related requirements of the flag States, if any.

- (2) CCS is to have, within the scope of its organization, competence on:
 - ① understanding and implementing the rules and regulations with which audited Companies are to ensure compliance;
 - ② implementing the approval, survey and certification activities relevant to maritime certificates;
 - ③ developing the terms of reference of the SMS required by the ISM Code;
 - ④ practical experience of ship operation;
 - ⑤ assessment of management systems.
- (3) CCS is to ensure that personnel providing consultancy services and those providing the certification are completely independent.
- (4) CCS' management of SMS certification services is to:
 - ① be carried out by those who have practical knowledge of ISM Code certification procedures and practices;
 - ② ensure that the auditor(s) comply with the requirements relating to education, training, work and audit experience specified; and
 - ③ ensure that the qualification and experience of auditor(s) is adequate and appropriate for the size and/or complexity of the Company and/or ship to be audited.
- (5) CCS has established and implemented a documented auditor training system to provide theoretical and supervised training for auditor(s) and ensures the qualification and continuous updating of the knowledge and competence of personnel who are to perform SMS certification.
- (6) CCS has established and implemented a documented system ensuring that the certification process is performed in accordance with the requirements of the Guidelines. The system is to include procedures and instructions as follows:
 - ① the establishment of contracts for the provision of ISM certification services;
 - ② the planning, preparation and implementation of ISM audits;
 - ③ the reporting of ISM audits;
 - ④ the issuance of interim, short term and full-term DOCs and SMCs;
 - ⑤ the evaluation and follow-up of corrective actions, including actions to be taken in response to major non-conformities.

1.3.1.3. Responsibilities of the audit team

- (1) The auditor is responsible for:
 - ① planning and carrying out assigned responsibilities effectively and efficiently;
 - ② ensuring compliance with the applicable requirements and other appropriate directives;
 - ③ reporting any major obstacles affecting the audit process encountered during the audit;
 - ④ organizing specialist to provide technical assistance required to fulfill the competence requirements of the audit where necessary;
 - ⑤ clearly communicating the non-conformities and observations to the Company and/or shipboard management in a timely manner;
 - ⑥ reporting the full audit results clearly, conclusively and without undue delay;
 - ⑦ making the audit report available to the Company or shipboard management;
 - ⑧ verifying the effectiveness of corrective actions taken by the Company.
- (2) Documents and information pertaining to the certification is to be treated in confidence.

- (3) When an auditor identifies major non-conformities or technical deficiencies deemed to present a serious threat to safety and the environment or that require attention by class or Administration, he/she should act as prescribed under 3.1.8 and/or 3.1.9 of the Guidelines.
 - (4) If the audit team comprises two or more auditors, the lead auditor designated is responsible for managing the team and controlling the audit.
- 1.3.1.4. Limitation of liability
- (1) CCS will sufficiently ensure the integrity and effectiveness of ship's SMS certification and accept supervision from the Administration when acts on behalf of the flag Administration.
 - (2) A certificate issued by CCS is only a statement by CCS that at the time of audit the Company/ship had established and implemented a ship safety management system in accordance with the requirements in the Guidelines. It is possible that unauthorized change(s) made by the Company and/or the ship in the ship safety management system or their failure in effective implementation of the system due to subjective reasons thereafter will lead to noncompliance with the certificate issued. Compliance with all applicable requirements of the ISM Code and the Guidelines remains the responsibility of the Company and/or the ship.
 - (3) The maintenance of the certificate is conditional upon the ship's continued compliance with the requirements of the Guidelines. CCS reserves the right to withdraw or cancel the certificate when the Company or the ship refuses to be audited by the auditor(s) of CCS, or fails to pay fees due on account of certification and other services, or there is evidence for failure of the Company or the ship in fulfilling their responsibilities and obligations as specified by SOLAS or required by the flag Administration.

Section 4 Availability of Information, Confidentiality, Complaint and Appeal

1.4.1. Availability of Information

- 1.4.1.1. Sufficient and correct information necessary for certification of the ship's Safety Management System is to be made available to CCS by the parties concerned.
- 1.4.1.2. The Company and the ship obtaining ship's SMS certification from CCS are to immediately inform CCS with accidents related to the safety of the ship and personnel, water pollution incidents, and PSC detentions due to deficiencies in the implementation of SMS etc., within the validity of the certificate.

1.4.2. Confidentiality

- 1.4.2.1. CCS will not disclose sensitive and proprietary information accessed during certification of ship safety management system, to individuals and organizations not specified in the contract, including CCS personnel not related to this service, except as required by laws and regulations.

1.4.3. Complaint and Appeal

- 1.4.3.1. Where the Company and/or ship has any objection against the ship SMS certification conducted by the auditor of CCS, the Company may complain in writing to the branch to which the auditor belongs. In the event that the complaint is not handled in a satisfactory manner, the Company may file the complaint with detailed written background materials to the Headquarter of CCS, which will make the conclusion accordingly.

1.4.3.2. Where the Company and/or ship has any objection against the audit conclusions made by CCS's auditing unit, the Company may appeal in writing with detailed background materials to the Headquarter of CCS, which will make the conclusion accordingly.

Chapter 2 CERTIFICATION OF SAFETY MANAGEMENT SYSTEM

Section 1 General Requirements

2.1.1. ISM Certification

2.1.1.1. ISM Certification includes the Company's certification and the ship's certification. Audit is to be carried out for the Company and each related ship intending to obtain the ISM Certification of CCS in accordance with the requirements of Chapter 3 in the Guidelines. Where its SMS meets the requirements of the ISM Code, certificate is to be issued to the Company and/or ship by CCS to certify that it has obtained the ISM Certification.

2.1.2. Maintenance of certification

2.1.2.1. Periodical and additional audit, if required, are to be carried out for the Company and each ship having obtained ISM Certification in accordance with the requirements of Chapter 3 in the Guidelines in order to retain the validity of certificate.

2.1.2.2. Renewal audit is to be carried out for the Company and each ship in accordance with the requirements of Chapter 3 in the Guidelines. If it is considered that the SMS is implemented effectively and continuously complies with the ISM Code, certificate will be reissued by CCS.

2.1.3. Basic Requirements of Certification

2.1.3.1. The Company is to establish, implement and maintain a safety management system to ensure the implementation of the safety and environmental protection policy. The policy^① is to include the objectives as required under ISM.

2.1.3.2. SMS should be able to achieve the following objectives:

- (1) Safety management objectives of the Company, including:
 - ① to provide for safe practices in ship operation and a safe working environment;
 - ② to assess all identified risks to its ships, personnel and the environment and establish appropriate safeguards;
 - ③ to continuously improve safety management skills of personnel ashore and aboard ships, including preparing for emergencies related both to safety and environmental protection.
- (2) Specific criterion of safety and pollution prevention, including:
 - ① compliance with the mandatory requirements of codes, rules, regulations and flag States;
 - ② the applicable guidelines and standards recommended by IMO, Administrations, classification societies and other maritime industry organizations are taken into account.

2.1.3.3. Procedures and/or instructions, or records of shipboard daily operation are to be established in SMS to ensure the following aspects in compliance with the mandatory requirements:

- (1) maintenance of the ship and equipment between the interval of two surveys;
- (2) operational requirements.

2.1.3.4. CCS carries out ISM certification for the following purposes:

- (1) to determine the compliance of the SMS with the specified requirements of the ISM Code and the Guidelines;

^① Alcohol and Drug Control Policy for Personnel Onboard may be a part of the company's safety and environmental protection policies.

- (2) to determine the effectiveness of the implementation of SMS and ensure the safety and pollution prevention objectives specified by the Company have been achieved;
 - (3) to facilitate Companies and ships to improve their ability of ship safety management;
 - (4) to encourage Companies to adopt and implement the guidelines and standards recommended by IMO, flag Administrations, classification societies and other maritime industry organizations.
- 2.1.3.5. The audit for compliance of mandatory rules, codes and regulations involved by ISM certification of CCS neither duplicates nor substitutes the statutory and/or classification surveys, meanwhile, it could not release the safety management responsibilities from the Company and master.

Section 2 Certificates

2.2.1. Issuance of Certificates

2.2.1.1. Document of Compliance (DOC)

- (1) A DOC (in the form as specified in Appendix 2 of the Guidelines) is to be issued to the Company by CCS when the SMS is found in compliance with the requirements of the ISM Code after initial or renewal audits.
- (2) An interim DOC (in the form as specified in Appendix 3 of the Guidelines) is to be issued to the Company by CCS when it is found in compliance with the requirements prescribed in 3.2.1 of the Guidelines after interim audit.
- (3) Where the Company assigns SMS responsibilities to Branch Offices, the list of Branch Offices shall be indicated in an attachment to the DOC.

2.2.1.2. Safety Management Certificate (SMC)

- (1) An interim SMC (in the form as specified in Appendix 5 of the Guidelines) is to be issued to a ship by CCS when it is found in compliance with the requirements prescribed in 3.3.1 of the Guidelines after an interim audit.
- (2) A SMC is to be issued when a ship's safety management is found in compliance with the approved SMS of the Company and the requirements of the ISM Code as well as the following conditions after initial or subsequent renewal audits. The SMC with the form specified in Appendix 4 may be issued if no certificate form is provided by the Administration:
 - ① the existence of a DOC (not interim), valid for that type of ship;
 - ② the maintenance of compliance with the requirements of a Classification Society^①, or with the national regulatory requirements of an Administration which provides an equivalent level of safety;
 - ③ the maintenance of valid statutory certificates.
- (3) If the full term SMC is to be issued by the Administration, the Company shall apply for a full term SMC to the Administration with the copy of short term SMC issued or the original SMC endorsed with validity extension by CCS as well as audit reports.

2.2.1.3. Short Term Certificates (DOC or SMC)

- (1) On completion of the initial audit, if the SMS meets the requirements of issuance of certificate, a SMC/DOC with a validity not exceeding 5 months will be issued.
- (2) If the full term SMC is to be issued by flag State Administration, after satisfactory completion of

^① The Classification Society meets the requirements of RO Code, as may be amended.

renewal audit or other audits for re-issuing certificates, CCS will issue a SMC with a validity not exceeding 5 months.

2.2.1.4 On the basis of Flag States' authorization for CCS to issue electronic certificates, shipping companies may apply to this society to issue electronic certificates, the electronic certificates are equally authentic as the paper certificates.

2.2.2 Ship types on ISM certificates

2.2.2.1 Ship types to be listed on DOCs and SMCs

(1) The ship types listed on DOCs and SMCs shall be consistent with the specific ship types defined in SOLAS IX Regulation 1 and on pertinent SOLAS documentation aboard ship. Some ships are designed for use in multiple services (for example Oil Tanker/Chemical Tanker). The ship type(s) listed on the DOC and SMC shall reflect the service(s) in which the ship is fit to serve, and the safety management system shall include appropriate procedures for these ship types..

2.2.2.2 Retention of ship types on DOCs

(1) During a scheduled audits, if there is objective evidence showing that the Company no longer operates a ship type listed on the DOC, the auditor shall either document an observation to formally advise the Company that the ship type will be removed from the DOC if this situation persists at the next scheduled audit or immediately remove the ship type no longer operated from the existing DOC.

(2) If, at a scheduled audit, the auditor determines that the Company has not been operating ships of a particular type since a previous scheduled audit the DOC(s) shall be replaced with new DOC(s) without the ship type no longer operated. If however, the Company continues to manage ships of a particular type within its fleet then, unless otherwise instructed by the Administration, all DOC's may be endorsed for this ship type.

2.2.3 Validity of Certificates

2.2.3.1 The validity of DOC or SMC is as follows:

- (1) The certificates are to be valid for a period not exceeding five years from the date of completion of initial audit, subject to periodical audit^① prescribed in the Guidelines during this period.
- (2) When a renewal audit is completed within three months before the expiry date of the existing certificate, the new certificate is to be valid from the date of completion of the renewal audit for a period not exceeding five years from the date of expiry of the existing certificate.
- (3) When a renewal audit is completed more than three months before the expiry date of the existing certificate, the new certificate is to be valid from the date of completion of the renewal audit for a period not exceeding five years.
- (4) Where renewal audit is completed after the expiry date of existing certificate, the new certificate is to be valid from the date of completion of the renewal audit for a period not exceeding five

^① Periodical audit means annual audit of DOC and intermediate audit of SMC.

years from the expiry date of original certificate.

- (5) According to the procedure of this society or the requirement of the Administration, a certificate can be issued with less than 5 years validity.

2.2.3.2 Validity of interim certificates is as follows:

- (1) The validity of an interim DOC is not to exceed twelve months from the date of completion of the interim audit.
- (2) The validity of an interim SMC is not to exceed six months from the date of completion of the interim audit.

2.2.4 Extension of Certificate Validity

2.2.4.1 In special cases, the validity of an Interim SMC may be extended for a further six months with the consent of the flag State Administration.

2.2.4.2 If the renewal audit has been completed, but the new SMC cannot be issued or placed onboard the ship before the expiry date of the existing certificate, CCS may endorse on the existing SMC as valid for a further period not exceeding five months from the expiry date.

2.2.4.3 If it is estimated that a ship at the time when a SMC expires is not in a port in which the renewal audit may be conducted and the Company applies for extension in writing prior to the expiry date and arranges the audit to be carried out at the ship's next first arrival port, extension could be accepted provided that CCS considers it is reasonable and practicable and granted by the Administration. Such an extension period is to be a voyage time for the ship arriving at the port in which it can be audited, but not longer than three months. Renewal audit is to be completed when the ship arrives at the port in which it can be audited, otherwise SMC will be invalid automatically.

2.2.5 Invalidation, Withdrawal and Reinstatement of Certificates

2.2.5.1 DOC

- (1) A DOC will be invalidated due to any reason of the following:
 - ① the Company does not request the annual audit;
 - ② corrective actions are not completed within the agreed schedule;
 - ③ amendments to the Guidelines and the ISM Code are not taken into account;
 - ④ there is evidence of an unresolved major non-conformity.
- (2) A DOC will be withdrawn due to any reason of the following:
 - ① withdrawal of DOC is requested by the Company;
 - ② Company's SMS operation is verified as not in compliance with the requirements of the Guidelines and ISM Code by the audit;
 - ③ extraordinarily serious safety and pollution accidents occur to the fleet managed by the Company are found through the audit or by other means;
 - ④ significant safety and pollution accidents occur to the fleet managed by the Company and no reporting and handling in accordance with the relevant procedures are found through the audit or by other means;
 - ⑤ if required by the Administration;
 - ⑥ Payment of certification fees is not made in time and no appropriate action is taken either.
- (3) In case the DOC is invalidated or withdrawn, CCS should without undue delay but not later than within 5 working days, from the decision to invalidate, inform (in the form as

specified in Appendix 1) the Company, the Administration, in the event CCS is acting on behalf of an Administration of the flag State and other relevant ROs. When CCS is authorized by the Administration to withdraw the DOC, CCS shall notify the Company in writing that the DOC is withdrawn from the date of signature of the notification, and request the DOC to be surrendered. A copy of such notification and a list of ships covered by the DOC shall be sent to the Administration.

- (4) Where a DOC is invalidated or withdrawn, the ship's SMC associated with the DOC are invalidated. The Company is to immediately notify appropriate ships that the DOC is invalid. In this case, CCS is not to accept the Company's application for issuance of interim DOC. The new DOC may be issued only after an initial audit, with its expiry date the same as the withdrawn DOC.

2.2.5.2 SMC

- (1) A SMC will become invalid due to any reason of the following:
 - ① invalidation of DOC;
 - ② corrective actions are not completed within the agreed time schedule;
 - ③ amendments to the Guidelines and ISM Code are not taken into account;
 - ④ there is evidence of an unresolved major non-conformity;
 - ⑤ intermediate audit is not carried out within the given period;
 - ⑥ the company ceases to operate that ship;
 - ⑦ the SMS ceases to be implemented onboard exceeding 6 months.
- (2) A SMC will be withdrawn due to any reason of the following:
 - ① withdrawal of SMC is requested by the Company;
 - ② it is verified that the SMS implemented onboard is not in compliance with the requirements for issuance of SMC specified in 2.2.1.2(1) of the Guidelines by an audit;
 - ③ major non-conformity which could not be downgraded is found during additional audit due to PSC detention;
 - ④ PSC detention due to SMS deficiencies occurs to a ship twice and more within 12 months and the company does not apply for an additional audit;
 - ⑤ additional audit required by CCS and Administration is not completed within the specified period;
 - ⑥ ship's class and the statutory certificates are withdrawn and cannot be reinstated;
 - ⑦ when extraordinarily serious safety and pollution accidents occurs;
 - ⑧ when a significant ship accident, if occurs, is not reported to CCS;
 - ⑨ ship's operation is ceased, such as loss or recycling of a ship;
 - ⑩ Payment of certification fees is not made in time and no appropriate action is taken either.
- (3) In case the SMC is invalidated or withdrawn, CCS should without undue delay but not later than within 5 working days, from the decision to invalidate , notify (in the form as specified in Appendix 1) the Company and the Administration, in the event CCS is acting on behalf of an Administration of the flag State, Port State Administration, where applicable, as well as the organization which issued the DOC (or requests the Administration to notify instead). When CCS is authorized by the Administration to withdraw the SMC, CCS is to notify the Company or the master in writing, and in any case, the Company is to notify the ship that the SMC is withdrawn from the date of signature of the notification, and request the SMC to be surrendered. A copy of such notification is to be sent to the flag Administration, and the Classification Society with which the ship is classed. When the Company has terminated the management of a ship, the Company shall notify CCS in a timely manner and return the SMC and duplicate of DOC of this ship.

- (4) Where the associated SMC is withdrawn as a result of the withdrawal of DOC caused by a major non-conformity, a new SMC is not to be issued unless the DOC has been reinstated and an additional audit to the scope of an initial audit has been carried out onboard a representative sample of the ships. At least one ship of each type operated by the Company is to be audited.
- (5) CCS is not to accept the application for interim audit of a ship from which the SMC has been withdrawn as a result of a major non-conformity. Furthermore, a new SMC is not to be issued unless an initial audit has been carried out onboard the ship. In addition, depending on the nature of the major non-conformity raised against the SMS implemented onboard the ship, the validity of DOC may also need to be verified by an additional audit, equivalent in scope to an annual audit, prior to the issuance of the SMC. The new SMC is to have the same expiry date as the withdrawn certificate.

2.2.5.3 Reinstatement of the Certificates

- (1) Where the Company applies for the reinstatement of DOC after it has been invalidated, an additional audit to the scope of an initial audit is to be carried out. The expiry date of the new DOC is to be calculated from the completion date of additional audit to the expiry date of the withdrawn DOC. For the reinstatement of relevant SMC, an additional audit to the scope of an initial audit is to be carried out onboard at least a representative sample ship for each ship type covered by the DOC. Upon completion of the additional audit, the SMCs of all ships covered by the DOC are to be re-issued.
- (2) Where a ship applies for reinstatement of SMC after it has been invalidated, an additional audit to the scope of an initial audit is to be carried out. Depending on the nature of major non-conformities, CCS may arrange a visit to the Company or an additional audit equivalent in scope to an annual audit prior to the issuance of the new SMC. The new SMC is to have the same expiry date as the withdrawn SMC.

2.2.6 Availability, Reissuance, Amendments or Surrender of Certificates

2.2.6.1 Availability of certificates

- (1) The Company is to make available original DOC or interim DOC and copies of SMC or interim SMC for each ship.
- (2) Each ship is to keep the copy of DOC or interim DOC and original SMC or interim SMC on board the ship.

2.2.6.2 Reissuance of certificates

- (1) Applications to CCS for reissuing the relevant certificate or documents should be made by the Company in a timely manner in case that the DOC, interim DOC, SMC or interim SMC issued by CCS are lost or damaged.
 - (2) Applications to CCS for issuing copies of DOC for a ship should be made in a timely manner in case that the Company assumes the responsibility for the operation of the ship not previously operated by that Company.
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2.2.6.3 Amendments of certificates

- (1) Whenever any amendment occurs to the content of a certificate, the Company is to immediately apply to CCS for amending or re-issuing the certificate.
- (2) Whenever the types of ship managed by the Company decrease, CCS is to be immediately notified by the Company to amend the DOC.

2.2.6.4 Surrender of certificates

- (1) The interim DOC and/or interim SMC are to be immediately surrendered to CCS when the DOC and/or SMC are issued to the Company.
- (2) Except those reissued due to loss, the original DOC and/or SMC issued by CCS are to be surrendered to CCS or destroyed immediately upon receipt of the new DOC and/or new SMC.
- (3) Both of DOC or interim DOC and SMC or interim SMC are to be surrendered to CCS immediately whenever the SMS certification for the Company or its ships terminates.
- (4) Where the lost original certificate is found after it is reissued, the original one is to be immediately surrendered to CCS by the Company.

2.2.7 Treatment of Port State Control (PSC)

2.2.7.1 When attending a vessel as a result of a Port State Control action, the auditor is to re-verify the objective evidence presented by the Port State Control Officer (PSCO). In cases the auditor concludes that the evidence indicates existence of major non-conformity, the auditor shall notify the Company that it will be treated as major non-conformity. If the major non-conformity cannot be downgraded, the SMC will be invalidated and surrendered. If the SMC has been issued by flag Administration, it is required to report to the flag Administration and follow its instructions.

2.2.7.2 The auditor of CCS shall carry out additional audit as per the Company's request. If there is no specific instruction from the flag Administration, the scope of any additional audit carried out following the detention of a ship (including the detention of the ship holds an interim SMC) shall include, as a minimum, the deficiencies identified by PSCO, and verification of the implementation of corrective actions shall be conducted based on actually available evidences.

2.2.7.3 Should deficiencies of the detained ship prove to be caused by serious management issues of the Company, CCS will request an additional audit to the Company's DOC.

2.2.7.4 In cases where the PSCO alleges that there is evidence of major non-conformity, and the CCS auditor considers that there is not, the auditor is to request the PSCO orally or in writing to carefully decide what further action is to be taken.

2.2.7.5 If the CCS auditor disagrees with the actions taken by the PSCO, the auditor shall submit the disagreement in writing to the PSCO and inform the flag State.

2.2.8 Operational Interruption of the SMS Onboard

2.2.8.1 The Company should, after interruption of the SMS on board a ship, review the SMS.

2.2.8.2 Where a Company manages a ship, which only operates seasonally, the Company should establish specific procedures for the lay-up period and reactivation, based on their commercial activities.

2.2.8.3 The Company should notify the Administration, port State and the Society or coastal State (if applicable) about the reactivation of the ship. This should include information about the time needed for reactivation of the vessel, any change of ownership or change of Company and the next intended destination after reactivation, e.g. normal trade, repair yard or scrap yard.

2.2.8.4 If the interruption period of the SMS on board the ship is more than three months but less than six

months, then the Company should apply to CCS for an additional audit to the scope as an intermediate audit. Upon satisfactory completion of the additional audit, the existing SMC should be endorsed.

- 2.2.8.5 If the interruption period of the SMS on board the ship is more than six months, then the Company should apply to CCS for an interim audit.

Chapter 3 SMS AUDIT

Section 1 General Requirements

3.1.1. Type and period of Audit

3.1.1.1. Initial audit

- (1) The initial audit of SMS for any Company, which has applied to CCS for full-term DOC for the first time, is to be carried out by CCS, to verify that its safety management system has been established, implemented and maintained, and is in compliance with the requirements of the ISM Code and the Guidelines as well as the special requirements of the flag State.
- (2) The initial audit of SMS for any ship, which has applied to CCS for full-term SMC for the first time, is to be carried out by CCS after the Company operating the ship has obtained the DOC (not interim) with satisfactory completion of the initial audit of DOC. If the Company already has a valid DOC issued by the flag Administration, or, at the request of the Administration, by another Contracting Government or RO, that DOC is to be accepted as an evidence that the SMS of the ship's managing company is in compliance with the ISM Code.
- (3) The initial audit is to be carried out within the validity of the interim certificates when the Company and the ship have obtained the interim DOC and interim SMC.

3.1.1.2. Annual audit

- (1) All companies certified by CCS are to be subjected to annual audit. Annual audit is to be carried out within three months before or after each anniversary date of the DOC.

3.1.1.3. Intermediate audit

- (1) All ships certified by CCS are to be subjected to at least one intermediate audit within the validity of SMC. The intermediate audit is to be carried out between the second and third anniversary dates after the initial audit or latest renewal audit. According to the implementation status of SMS or the nature of non-conformities, etc., CCS may find it necessary to increase the frequency of the intermediate audit.

3.1.1.4. Renewal audit

- (1) If the Company or the ship, DOC or SMC of which has been certified by CCS, would continue to apply for certification by CCS after DOC or SMC expires, it should apply for renewal audit before the expiry date of the certificates; otherwise, the DOC or SMC would be invalidated automatically.
- (2) The DOC and/or SMC will be renewed by CCS after satisfactory completion of the renewal

audit.

3.1.1.5. Additional audit

- (1) An additional audit for the Company's DOC is to be requested if:
 - ① a major accident, serious casualties and water pollution occur to a ship covered by DOC, and when deemed necessary by CCS based on the Company's report;
 - ② substantial modifications are made to the SMS of the Company;
 - ③ PSC detentions due to SMS deficiencies occur to a ship covered by DOC twice or more within 12 months;
 - ④ When a flag is added into SMS and with the consent of the Administration;
 - ⑤ When a new ship type is added into SMS after interim DOC had been audited and with the consent of the Administration;
 - ⑥ applying for re-issue of DOC after it has been withdrawn (to be in compliance with requirements of 2.2.4.3);
 - ⑦ CCS needs to follow up the effectiveness of corrective actions for non-conformities;
 - ⑧ additional audit is indicated in Appendix 6;
 - ⑨ it is required by the flag Administration.
- (2) An additional audit for a ship's SMC is to be requested if:
 - ① a major accident, serious casualties and water pollution occur to a ship, and when deemed necessary by CCS based on the Company's report;
 - ② PSC/FSC detentions occur to a ship and are deemed related to the implementation of SMS;
Notes: An additional audit is to be carried out if one of the following PSC/FSC detentions occurs, but not limited to the following:
 - a) deficiencies in SMS operation occur, such as unfamiliarity with key equipment and/or emergency equipment operation onboard, and inability to carry out emergency drills as required due to duty familiarization or training of new crew members having not been completed within specified time;
 - b) the general condition of ship is in poor status as the maintenance plan for hull and equipment is not implemented in time due to crew members' unfamiliarity with the maintenance procedures related to ship and equipment in the Company's SMS;
 - c) hazards and non-conformities occurred onboard the ship are not analyzed and reported in accordance with the SMS procedures;
 - d) major ISM-related detainable deficiencies or several deficiencies for ship and equipment are identified directly by the PSC/FSC officers.
 - ③ the management departments of CCS deem necessary after reviewing the reports regarding classification surveys, statutory surveys, flag State inspections demonstrating that the SMS onboard ship has not been operated effectively or not in compliance with the ISM Code;
 - ④ an un-scheduled survey is required by the class ;
 - ⑤ additional audit is indicated in Appendix 7;
 - ⑥ applying for re-issue of SMC after it has been withdrawn (to be in compliance with requirements of 2.2.4.3);

- ⑦ CCS needs to follow up the effectiveness of corrective actions for non-conformities;
- ⑧ required by the flag Administration.

(3) According to the conditions described in above (1) and/or (2), additional audit could cover the full or partial SMS elements. The scope of additional audit caused by PSC detention is to involve the shore and shipboard management and operation procedures related to PSC detainable deficiencies.

3.1.1.6. Interim audit

(1) For the purpose of facilitating the initial implementation of the SMS, arrangements for the following cases, except those provided in Appendix 6 of the Guidelines, are to be made, whereby the Company may apply for an interim audit for the issue of an interim DOC:

- ① a company is newly established;
- ② new ship types are requested to be added to an existing DOC.
- ③ Additional flag

(2) Arrangements for the following cases, except those provided in Appendix 7 of the Guidelines, are to be made, whereby the Company may apply for an interim audit for SMC:

- ① a new ship delivered;
- ② a ship which is newly managed by the Company;
- ③ the flag State of a ship is changed.

3.1.2. Certification Changes

3.1.2.1. Company audits involving DOC changes are to be performed in accordance with the requirements of Appendix 6 of the Guidelines.

3.1.2.2. Ship audits involving SMC changes are to be performed in accordance with the requirements of Appendix 7 of the Guidelines.

3.1.3. Planning the Audit

3.1.3.1. CCS, upon receipt of an application, is immediately to nominate an audit team consisted of qualified auditors to carry out the ISM audit.

3.1.3.2. The auditor is to cooperate with the Company and/or ship and produce an audit plan on the basis of review and/or familiarization of the audited SMS documentation. The audit plan shall be designed to be flexible in order to permit changes in emphasis based on information gathered during the audit, and to permit the effective use of resources. The audit plan is to be communicated to all those involved in the audit.

3.1.3.3. Audit plan shall include:

- (1) identification of the individuals or organizational units having significant direct responsibilities within the SMS;
- (2) identification of the auditor (s) and Company representative(s);
- (3) the language of the audit;
- (4) the date and place where the audit is to be conducted;
- (5) the schedule of meetings to be held with Company's management.

3.1.4. Preparing the Audit

3.1.4.1. The Company is to make necessary audit preparation in accordance with the audit plan and/or

auditor(s)' requirements to ensure that all of the documentation and records related to SMS are available to the auditor(s) to implement according to the audit plan during the audit. The company should be aware that SMS documents review is a part of the interim audit, the follow-up scheduled audit includes the review of the document modification since the last audit, if the document is considered insufficient or does not meet the requirements of the ISM Code, it should be subject to review after the company adopts the corresponding modification measures.

- 3.1.4.2. The Company is to ensure that the personnel being audited are fully conversant with the audit procedures and SMS requirements through the whole audit period.
- 3.1.4.3. The Company is to ensure that the ships being audited are to be under normal operating conditions and the ship is not to be in dry dock or laid up. Interim audits may be conducted in circumstances other than normal operation conditions, provided that the ship is fully manned in accordance with its Minimum Safe Manning Certificate.
- 3.1.4.4. The lead auditor should review the relevant safety performance records of the company, for example flag State records, port State control reports and class and accident reports, and take them into consideration when preparing the audit plan.

3.1.5. Implementing the Audit

- 3.1.5.1. All scheduled, routine DOC and SMC audits (initial, intermediate, annual and renewal) shall be fully scoped audits covering all elements of the ISM code and all aspects of the management of shipboard safety and pollution prevention.
- 3.1.5.2. The audit is to start with an opening meeting, participated by the audit team and the Company's and/or the ship's staff and presided by the lead auditor, the purpose of which is to:
 - (1) introduce the audit team to the Company's and/or ship's management;
 - (2) explain the scope and objective of the audit;
 - (3) provide a short summary of the methods and procedures to be used to conduct the audit;
 - (4) establish the official communication line between the auditor(s) and the Company and/or the ship;
 - (5) confirm that resources, documentation and facilities needed to perform the audit are available; and
 - (6) confirm the time and date of the closing meeting and any possible interim meetings.
- 3.1.5.3. Appropriate working documents^① are to be used to facilitate the audit and to document the results. In order to gather information for the assessment of the ship's SMS, pre-established working documents are not to restrict activities or investigations that are carried out by the auditor(s) during the audit.
- 3.1.5.4. The auditor(s) is to determine the effectiveness of the SMS in meeting the specific standards of safety and protection of the environment required by the ISM Code, on the basis of:
 - (1) the SMS documentation and its evidence of effective implementation presented by the Company;
 - (2) the objective evidence of effective implementation of the SMS, which is to be collected through interviews, review of documentation and records, observation of activities and examination of the condition and operation of the ship and its equipment and technical systems.
- 3.1.5.5. The company shall provide auditors with statutory and classification records relevant to actions

^① Working documents may include checklists used for evaluating SMS elements, forms for reporting observations and documenting supporting evidence.

taken by the Company to ensure the compliance with mandatory rules and regulations. The Company shall ensure that the auditor has access to statutory and classification records during audits, also when these records are issued by another Classification Society, other RO or the Administration itself, in order to substantiate their authenticity and veracity.

3.1.5.6. The auditor is to, at the beginning of the audit, review the statutory and classification survey records for at least one ship of each ship type to which the DOC applies. These records are to be made available at the Company's office.

3.1.5.7. When auditing a ship as a part of the audit process the auditor is to review the statutory and classification survey records which are to be made available onboard.

3.1.5.8. During shipboard audits, the auditor shall visit the deck, engine, bridge and accommodation areas, the purpose of which is to:

- (1) gain an overall impression of housekeeping and the condition of the ship and equipment
- (2) observe shipboard operations being conducted
- (3) observe emergency drills as appropriate
- (4) conduct interviews with ship's crew as appropriate.

Where weather conditions prevent safe access to certain areas this shall be documented in the report.

3.1.5.9. Annual and renewal audits of the company may include a review of non-conformities reported in relation to previous internal and external Company and shipboard audits. The auditor should select a sample of the reported non-conformities and audit the company's investigation, analysis, and resolution of the non-conformities in accordance with the requirements of sections 9 and 12 of the Code.

3.1.5.10. Audit findings are to be documented in a clear, concise manner and supported by objective evidence. These are to be reviewed by the auditor(s) in order to determine which are to be reported as major non-conformities, non-conformities, or observations.

3.1.5.11. At the end of the audit, prior to preparing the audit report, the auditor(s) is to hold a close meeting with the senior management of the Company or ship and those responsible for the functions concerned. The purpose is to present major non-conformities, non-conformities and observations to the Company's or ship's management, in such a manner so as to ensure that they clearly understand the results of the audit.

3.1.5.12. The SMS audit is based upon a sampling process. When no non-conformities have been reported, it shall not be assumed as none exist.

3.1.5.13. Consideration is to be given to the limitations that may be placed on the auditor(s)' ability to gather information and collect objective evidence when audits are carried out during the hours of darkness or the similarly restrictive operational conditions.

When the activities are planned to be carried out under any restrictive operational conditions the auditor's ability to gather information is not to be impaired. In cases where it is not possible to complete the audit due to such limitations, audit plan may be changed as necessary to complete the audit when such limitations will be absent.

3.1.6. Audit Report

3.1.6.1. The audit report is to be prepared by the lead auditor, based on information gathered by and discussed with the audit team members. It is to be accurate and complete, reflecting the content of the audit and include the following items, if applicable:

- (1) the date of completion of the audit;
 - (2) the scope and objectives of the audit;
 - (3) auditor(s), Company's representative;
 - (4) all major non-conformities, non-conformities and observations;
 - (5) the audit plan;
 - (6) on the effectiveness of the safety management system in meeting the specified objectives.
- 3.1.6.2. A copy of the audit report is to be sent to the Company. The company should be advised to provide the ship with a copy of the shipboard audit reports.
- 3.1.6.3. The Company is to maintain audit reports and records of all audits performed both ashore and aboard ship.
- 3.1.7. Corrective Action Follow-up**
- 3.1.7.1. The non-conformity report (NCR) is to meet the following requirements:
- (1) The NCR shall clearly state the activities and situations that do not comply with the requirements of the Company's SMS or the ISM Code.
 - (2) The content of the non-conformity report is to be complete, concise and easily understood.
 - (3) When writing NCRs, auditors are to, whenever possible, include a reference to the applicable requirement of the Company's SMS, and when necessary for the sake of clarity, restate the requirement.
 - (4) NCRs are to include a reference to the relevant clause or sub-clause of the ISM Code.
- 3.1.7.2. Except the major non-conformity, a DOC or SMC may be issued, endorsed or renewed before all identified non-conformity have been closed out provided that a schedule has been agreed between the Company and/or ship and the auditor(s) for implementation of the necessary corrective actions. Additional audit(s) may be necessary depending on the nature of any non-conformity identified. The Company is responsible for applying for any follow-up audit required by the auditor(s).
- 3.1.7.3. The Company is responsible for formulating and implementing corrective actions for the non-conformities identified by the auditor(s). A corrective action plan is to be submitted to the auditor within an agreed time period. **An acceptable corrective action plan shall include actions for correcting the non-compliance, its cause analysis and actions to prevent recurrence.** A schedule maximum not exceeding three months from the date of completion of the audit is to be agreed for the implementation of the corrective actions, defects affecting ship safety and pollution prevention shall be corrected prior to sailing, or if necessary, extension with the consent of the classification society surveyor or the flag State Administration. The effectiveness of the corrective actions is to be verified not later than the next audit (annual, intermediate or renewal) and may be verified at an additional audit if performed after the agreed schedule for implementation of the corrective action..
- 3.1.7.4. If a company or ship fails to implement the agreed correction action plans on time, and was not extended with the consent of the Administration, the DOC or SMC shall be invalidated.
- 3.1.7.5. The review of the Company's responses to non-conformities described in 3.1.5.9 of the Guidelines is applicable only to non-conformities that are not considered to be major.
- 3.1.7.6. Where the NCRs found aboard the ship are related to Company's SMS ashore through the audit, following actions may be taken in order to facilitate the effectiveness of the SMS depending on the extent and scope of the NCRs by CCS:
- (1) notify the Company in writing and arrange a visit or additional audit for the Company with DOC

issued by CCS;

- (2) report in writing to the organization issuing the DOC for the Company and arrange a visit to the Company.

3.1.8. Technical Deficiency

3.1.8.1. The auditor identifying a technical deficiency deemed to present a serious threat to safety or harm to the environment or requiring enough attention by the classification society or flag Administration is to:

- (1) establish if the Company has taken appropriate actions to correct the technical deficiency. In every case the auditor is to ensure that technical deficiencies has been dealt with by the classification society or flag Administration which is responsible; and
- (2) establish whether the technical deficiency constitutes a major non-conformity and, if so, follow the requirements of 3.1.9 of the Guidelines.

3.1.9. Response to Major Non-conformities

3.1.9.1. A major non-conformity raised on a ship is to be downgraded before the ship sails. Downgrading may take place only after verifiable action has been taken to remove any serious threats to personnel, the ship or the environment. An acceptable plan for implementation not exceeding three months is to be approved by CCS for completion of the necessary corrective actions.

3.1.9.2. Following the downgrading of a major non-conformity, at least one additional audit is to be carried out onboard the ship within the time frame indicated in the agreed corrective action plan to verify that effective actions have been taken. In addition to the additional shipboard audit, an additional audit of the Company's shore-based operations may also be carried out if necessary. Following the downgrading of a major non-conformity raised during DOC audit, at least one additional audit of the Company's shore-based operations should be carried out within the time frame indicated in the agreed corrective action plan to verify that effective actions have been implemented.

3.1.9.3. If an additional audit is carried out later than the specified time window a major non-conformity is to be raised.

3.1.9.4. Where a major non-conformity has been raised because a DOC audit has not taken place within the specified time, the associated SMCs continue to remain in place without any additional audit provided that no other major non-conformity remains unresolved.

3.1.9.5. All major non-conformities, including those that are downgraded before the completion of the audit, are to be reported to the corresponding flag Administrations.

3.1.9.6. A DOC or SMC is not to be issued, endorsed ,renewed or extended before any major non-conformity has been downgraded.

3.1.9.7. Where the DOC of the audited ship is not issued by CCS, major non-conformity is to be notified to the organization issuing the DOC. If the organization could not be ascertained, it is required to report to the flag Administration and request it convey relevant information.

3.1.10. Suspension of Audit

3.1.10.1. The audit may be suspended in case the Company and/or ship is lack of necessary preparations or the audit team assesses that the audit cannot reach the intended purpose, and the Company and/or ship are to be notified of the reasons.

3.1.10.2. The audit may be suspended in case that technical deficiencies are not dealt with by the

Classification Society with which the ship is classed or other survey organizations, and the Company and/or ship are to be notified of the reasons.

3.1.11. Handling of Complaints for SMS Operation

- 3.1.11.1. CCS is to notify the Company to verify the veracity of the complaint and take appropriate measures if any formal complaint is raised involving the effectiveness of SMS implementation certified by CCS.
- 3.1.11.2. CCS shall determine whether to carry out additional audit(s) or not based on the nature of the complaint. In addition, CCS is to carry out verification of the effective functioning of the SMS related to any complaint in next planned audit.

Section 2 Company Audit

3.2.1. Interim DOC Audit

- 3.2.1.1. Interim DOC audit may be applied for if the Company is in compliance with the conditions described in 3.1.1.6(1) to verify that:
 - (1) the Company has a documented SMS which is in compliance with the objectives in 1.2.3 of ISM Code;
 - (2) the Company has formulated and undertaken to carry out a plan to implement SMS in compliance with all the requirements of ISM Code within the period of validity of the interim DOC, including internal safety management audit arrangements onboard and ashore.
- 3.2.1.2. Document submission
 - (1) The Company is to submit the following documents to CCS for review:
 - ① safety management manual defined in 11.3 of ISM Code;
 - ② tonnage and number of each ship type covered by SMS;
 - ③ outline of the Company (including organization chart, branch office and necessary qualification) and business activities.
 - (2) If deemed necessary, CCS may request the Company to provide any explanatory document and information related to SMS.
- 3.2.1.3. Document review
 - (1) CCS is to carry out the review after the document specified in 3.2.1.2 is submitted.
 - (2) If this review reveals that the SMS is not in compliance with the requirements of ISM Code, CCS may request the Company to take appropriate measures, and, if necessary, may notify to delay the Company's field audit.
 - (3) A visit to the Company before audit may be arranged when deemed necessary by CCS, in order to have knowledge of scope, nature and other information about the Company's SMS and facilitate the production of an audit plan. During the visit before audit, CCS is not to provide any consultation for the SMS concerned.
- 3.2.1.4. Any limitations in the operations of the ship described in the company SMS shall be listed under ship type on the Interim DOC.

3.2.2. Initial Audit

- 3.2.2.1. The initial audit of the Company consists of the following steps:
 - (1) Document Review: to review the document submitted as in 3.2.1.2 of the Guidelines and verify the documented SMS to be in compliance with the requirements of ISM Code;

- (2) Field Audit: to verify the effective functioning of the SMS.

3.2.2.2. Field audit of Company

- (1) The field audit to a Company is to collect the following objective evidence:
 - ① the records of effective functioning of the SMS;
 - ② the SMS has been in operation for at least three months on board at least one ship of each type operated by the Company;
 - ③ the records of the internal audits performed by the Company, ashore and at least one ship of each type operated by the Company on board;
 - ④ the statutory and classification records for at least one ship of each type operated by the Company.
- (2) Initial audit of the Company is to verify all elements of the SMS and the effectiveness of the SMS in meeting the requirements of the ISM Code.

3.2.2.3. Audit of branch offices

- (1) Where a Company assigns SMS responsibilities to Branch Offices, the audit is to include a representative sample of those offices. The sample selected is to be sufficient to ensure that all elements of the SMS and all requirements of the ISM Code can be assessed.
- (2) The audit of each branch office is to address each requirement of the ISM Code relevant to that office.
- (3) The Company should carry out internal audit for all sub-companies and submit relevant records to the auditor
- (4) During an initial audit, the number of branch offices performing the same activities to be verified by sampling audit is given in Table 3.2.1.5 (Note: chances are that all or part of the companies branch offices may perform the same business activities, the sampling numbers listed in the below table only apply to the numbers of branch offices performing the same activities).

Table 3.2.1.5

The total number of Branch Offices performing the same activities	The number of Branch Offices to be verified
1	1
2 to 3	2
4 to 6	3
> 6	to be agreed after discussion

- (5) If a Company nominates an office as its head office then it must be audited as part of the initial and follow-up scheduled audit.

3.2.3. Annual Audit

3.2.3.1. Annual audit is to be carried out by CCS within the validity period of DOC according to the application from the Company to maintain the validity of DOC and verify:

- (1) the effective functioning of the SMS;
- (2) that any modification of the SMS complies with the requirements of the ISM Code;
- (3) that corrective action has been implemented effectively;
- (4) that statutory and classification certificates are valid, with no overdue surveys and/or outstanding classification and statutory surveys;
- (5) the ship types operated by the Company.

3.2.3.2. For 3.2.3.1(4), the effectiveness of the statutory and classification certificates is to be verified for at least one ship of each type listed on the DOC.

3.2.3.3. Annual audits of the company are to include a review of non-conformities reported in relation to previously conducted internal and external audits for company and ship. The auditor is to select samples of the reported non-conformities and audit the company's investigation, analysis, and resolution of the non-conformities in accordance with the requirements of Sections 9 and 12 of the ISM Code.

3.2.3.4. Annual audit is to ensure that all branch offices are visited during the period of validity of the DOC. The audit of the branch offices is to be agreed with the Company. The frequency of branchoffice audits is to be determined based on the nature and extent of the activities undertaken by each branch office. If an additional Branch Office is included by the Company in its SMS during the period of validity of the DOC, it shall be verified no later than the next scheduled verification at which time the additional Branch Office should be added to the list of Branch Offices.

3.2.4. Renewal Audit

3.2.4.1. A renewal audit is to be completed prior to the expiry date of the DOC.

3.2.4.2. All the requirements with respect to annual audit as provided under 3.2.3.1 to 3.2.3.4 apply to renewal audit.

3.2.5. Additional Audit

3.2.5.1. If any circumstances described in 3.1.1.5(1) of the Guidelines takes place, the Company is to apply to CCS for an additional audit to confirm its compliance with the requirements of the Guidelines and the validity of the DOC.

3.2.5.2. CCS is to define scope and extent of the additional audit depending on its nature and/or the requirements of the flag State.

Section 3 Ship Audit

3.3.1. Interim Audit

3.3.1.1. Interim SMC audit may be applied for if the ship is in compliance with the conditions described in 3.1.1.6 (2) to verify the following requirements:

(1) Conformity of the documents onboard, at least including:

- ① the ship's type is covered by the DOC or interim DOC;
- ② the SMS provided by the Company includes the key elements of the ISM Code and has been assessed or demonstrated;
- ③ ship's SMS implementation plan;
- ④ basic instructions which have been identified as essential to be provided prior to sailing have been given, at least including lifeboat station and responsibilities, fire station responsibilities and making available specific additional reference material associated with safety requirements from the SOLAS training manual;
- ⑤ plans exist for internal audit of the ship within three months;
- ⑥ the relevant information on the SMS is given in a working language or languages understood by the ship's personnel.

- (2) The SMS activities onboard the ship, at least including:
- ① ship's manning complies with the relevant requirements, with the valid COC certificate of competency held by each crew;
 - ② the master, senior officers and crews are conversant with the SMS and the implementation plan;
 - ③ it is verified in a cruising manner that effective maintenance has been provided for the ship with its key and emergency equipment as well as ship's operation meets the relevant requirements;
 - ④ emergency drills have been performed according to the relevant requirements.

3.3.2. Initial Audit

3.3.2.1. The purpose of initial audit of the ship's SMS is to verify that the Company and its ship's management operation comply with the approved Company's SMS and meet the validity of appropriate requirements of the ISM Code. The initial audit of the ship's SMS includes a necessary verification of the documents and a shipboard audit.

3.3.2.2. Submission of documents

- (1) The Company is to submit the following documents to CCS for review:
- ① copy of DOC;
 - ② safety management manual defined in 11.3 of ISM Code;
 - ③ ship's main information.
- (2) If deemed necessary, the Company is to be requested to provide any explanatory document and information related to SMS.

3.3.2.3. Document review

- (1) CCS is to review the document prescribed in 3.3.1.2 of the Guidelines.
- (2) If this review reveals that the SMS does not meet the requirements of the ISM Code, CCS may request the Company to take appropriate corrective actions.
- (3) Where the DOC of the Company managing its audited ship is not issued by CCS, in the case of the condition in above-mentioned (2), it is to be communicated with the organization issuing the DOC and corresponding measures are to be taken.

3.3.2.4. Shipboard audit

- (1) The shipboard audit cannot be performed until the valid DOC onboard the ship is confirmed.
- (2) At least, the following objective evidences are to be collected during shipboard audit:
- ① the effective functioning of the SMS;
 - ② the SMS has been in operation for at least three months on board the ship;
 - ③ records from the internal audits performed by the Company.
- (3) Initial audit of the ship is to verify all elements of the SMS and the effectiveness of the SMS in meeting the requirements of the ISM Code.

3.3.3. Intermediate Audit/Renewal Audit

3.3.3.1. To maintain the effectiveness of the SMC, CCS will carry out intermediate audit/renewal audit within the validity period of the SMC as per the Company's request, thus to verify the effective implementation of the SMS.

3.3.3.2. The scope of audit covers all activities of SMS onboard the ship and all applicable elements of the ISM Code, and includes:

- (1) audits on any modification made to the documents described under 3.3.2.2 to verify that such

modifications of the SMS comply with the requirements of the ISM Code;

- (2) effectiveness of implementation of the corrective actions;
- (3) statutory and classification certificates to be maintained valid and with no overdue surveys and/or classification and statutory outstanding recommendations.

3.3.4. Additional Audit

- 3.3.4.1. If any of the circumstance described in 3.1.1.5(2) of the Guidelines takes place, the Company is to apply to CCS for an additional audit for the ship to confirm its compliance with the requirements of the Guidelines and the ISM Code and the effective functioning of the SMC.
- 3.3.4.2. CCS is to define scope and extent of the additional audit depending on its nature and/or the requirements of the flag State.

Appendix 1 Form of Notification of Invalidation of ISM Certification

Notification of Invalidation of ISM Certification

(Official Seal)

Document of Compliance

Safety Management Certificate

Ship's Name:	IMO No.	
Company Name and Address	Certificate No.	
	Issued by: China Classification Society	
The audit was conducted on behalf of the government of:		
Type of audit: Annual(office) <input type="checkbox"/> Intermediate(ship) <input type="checkbox"/> Additional <input type="checkbox"/> Renewal <input type="checkbox"/>		
REASON FOR INVALIDATION OF CERTIFICATION:		
<input type="checkbox"/> Periodical audit not requested		
<input type="checkbox"/> Corrective action not completed within agreed schedule		
<input type="checkbox"/> Major unresolved non-conformity (copy attached)		
<input type="checkbox"/> Amendments to the ISM Code not taken into account		
<input type="checkbox"/> Transfer of SMC		
<input type="checkbox"/> The ship has been sold or scrapped		
Other reason (please specify):		
Name:	Position:	Society:
Signature:		Date:
Receipt by Company representative:		
Name:	Position:	
Signature:		Date:

Distribution:

Original to Company

Copy to master (for SMC invalidated)

Copy to Administration

Copy to Port State Authority (if appropriate)

Copy to issuing organization

Note: Mark "x" in if applicable, or "-" in if not applicable.

China Classification Society

DOCUMENT OF COMPLIANCE

(Official Seal)

Issued under the provisions of the INTERNATIONAL CONVENTION FOR THE SAFETY OF LIFE AT SEA, 1974, as amended

Under the authority of the Government of _____

(Name of the State)

by **CHINA CLASSIFICATION SOCIETY**

Name and address of the Company: _____

(See paragraph 1.1.2 of the ISM Code)

Company identification number: _____

Including branch offices

THIS IS TO CERTIFY THAT the safety management system of the Company has been audited and that it complies with the requirements of the International Management Code for the Safe Operation of Ship and for Pollution Prevention (ISM Code), for the types of ships listed below (delete as appropriate):

- Passenger ship
- Passenger high-speed craft
- Cargo high-speed craft
- Bulk carrier
- Oil tanker
- Chemical tanker
- Gas carrier
- Mobile offshore drilling unit
- Other cargo ship

This Document of Compliance is valid until _____, subject to periodical audit.

Completion date of the verification on which this certificate is based: _____

Issued at _____

(Place of issue of the document)

Date of issue _____

China Classification Society

(Seal or stamp of China Classification Society as appropriate)

ENDORSEMENT FOR ANNUAL AUDIT

THIS IS TO CERTIFY THAT, at the periodical audit in accordance with regulation IX/6.1 of the Convention and paragraph 13.4 of the ISM Code, the safety management system was found to comply with the requirements of the ISM Code.

1st Annual Audit Signed: _____
(Signature of Auditor to China Classification Society)

Place: _____

Date: _____

2nd Annual Audit Signed: _____
(Signature of Auditor to China Classification Society)

Place: _____

Date: _____

3rd Annual Audit Signed: _____
(Signature of Auditor to China Classification Society)

Place: _____

Date: _____

4th Annual Audit Signed: _____
(Signature of Auditor to China Classification Society)

Place: _____

Date: _____

**China Classification Society
INTERIM DOCUMENT OF COMPLIANCE**

(Official Seal)

Issued under the provisions of the INTERNATIONAL CONVENTION FOR THE SAFETY OF LIFE AT SEA, 1974, as amended

Under the authority of the Government of _____

(Name of the State)

by **CHINA CLASSIFICATION SOCIETY**

Name and address of the Company _____

(See paragraph 1.1.2 of the ISM Code)

THIS IS TO CERTIFY THAT the safety management system of the Company has been regarded as meeting the International Management Code for Safe Operation of Ships and for Pollution Prevention (ISM Code), for the types of ships listed below (delete as appropriate):

- Passenger ship
- Passenger high-speed craft
- Cargo high-speed craft
- Bulk carrier
- Oil tanker
- Chemical tanker
- Gas carrier
- Mobile offshore drilling unit
- Other cargo ship

This Interim Document of Compliance is valid until _____

Completion date of the verification on which this certificate is based: _____

Issued at _____

(Place of issue of the document)

Date of issue _____

China Classification Society

(Seal or stamp of China Classification Society as appropriate)

Appendix 4 SMC Form

Cert. No. _____

**China Classification Society
SAFETY MANAGEMENT CERTIFICATE**

(Official Seal)

Issued under the provisions of the INTERNATIONAL CONVENTION FOR THE SAFETY OF LIFE AT SEA, 1974, as amended

Under the authority of the Government of _____

(Name of the State)

by **CHINA CLASSIFICATION SOCIETY**

Name of ship: _____

Distinctive number or letters: _____

Port of registry: _____

Type of ship*: _____

Gross tonnage: _____

IMO Number: _____

Name and address of Company: _____

(see paragraph 1.1.2 of ISM Code)

Company identification number: _____

Company DOC number: _____

THIS IS TO CERTIFY THAT the safety management system of the ship has been audited and that it complies with the requirements of the International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM Code), following audit that the Document of Compliance for the Company is applicable to this type of ship.

This Safety Management Certificate is valid until _____, subject to periodical audit and the Document of Compliance remaining valid.

Completion date of the verification on which the certificate is based: _____

Issued at _

(Place of issue of the document)

Date of issue _____

China Classification Society

(Seal or stamp of China Classification Society as appropriate)

* Insert the type of ship from among the following: passenger ship; high speed passenger craft; high speed cargo craft; bulk carrier; oil tanker; chemical tanker; gas carrier; mobile offshore drilling unit; other cargo ship.

ENDORSEMENT FOR INTERMEDIATE AUDIT AND ADDITIONAL AUDIT (IF REQUIRED)

THIS IS TO CERTIFY THAT, at the periodical audit in accordance with regulation IX/6.1 of the Convention and paragraph 13.8 of the ISM Code, the safety management system was found to comply with the requirements of the ISM Code.

Intermediate Audit
(to be completed between the second
and third anniversary date)

Signed: _____
(Signature of Auditor to China Classification Society)

Place: _____

Date: _____

Additional Audit*

Signed: _____
(Signature of Auditor to China Classification Society)

Place: _____

Date: _____

Additional Audit*

Signed: _____
(Signature of Auditor to China Classification Society)

Place: _____

Date: _____

Additional Audit*

Signed: _____
(Signature of Auditor to China Classification Society)

Place: _____

Date: _____

* If applicable. Reference is made to paragraph 4.5.1 of the Guidelines on Implementation of the International Safety Management (ISM) Code by Administrations (resolution A.1188(33)).

Cert. No. _____

**ENDORSEMENT WHERE THE RENEWAL VERIFICATION HAS BEEN COMPLETED AND
PART B13.13 OF THE ISM CODE APPLIES**

THIS IS TO CERTIFY THAT the ship has been audited and it complies with the relevant provisions of Part B of the ISM Code, and the Certificate is, in accordance with Part B 13.13 of the ISM Code, accepted as valid until _____.

Signed: _____

(Signature of Auditor to China Classification Society)

Place: _____

Date: _____

**ENDORSEMENT TO EXTEND THE VALIDITY OF THE CERTIFICATE UNTIL REACHING
THE PORT OF VERIFICATION WHERE PART B13.12 OF THE ISM CODE APPLIES OR FOR
A PERIOD OF GRACE WHERE PART B13.14 OF THE ISM CODE APPLIES**

THIS IS TO CERTIFY THAT this Certificate is, in accordance with Part B 13.12 or Part B 13.14 of the ISM Code, accepted as valid until _____.

Signed: _____

(Signature of Auditor to China Classification Society)

Place: _____

Date: _____

China Classification Society

INTERIM SAFETY MANAGEMENT CERTIFICATE

(Official Seal)

Issued under the provisions of the INTERNATIONAL CONVENTION FOR THE SAFETY OF LIFE AT SEA, 1974, as amended

Under the authority of the Government of _____

(Name of the State)

by CHINA CLASSIFICATION SOCIETY

Name of ship: _____

Distinctive number or letters: _____

Port of registry: _____

Type of ship* _____

Gross tonnage: _____

IMO Number: _____

Name and address of Company: _____

(see paragraph 1.1.2 of ISM Code)

Company identification number: _____

THIS IS TO CERTIFY THAT the requirements of paragraph 14.4 of the ISM Code have been met and that the Document of Compliance/Interim Document of Compliance** of the Company is relevant to this ship.

This Interim Safety Management Certificate is valid until _____, subject to the Document of Compliance /Interim Document of Compliance** remaining valid.

Completion date of the verification on which this certificate is based: _____.

Issued at _____
(Place of issue of the document)

Date of issue _____

The validity of this Interim Safety Management Certificate is extended to _____

Date of extension _____

China Classification Society

(Seal or stamp of China Classification Society as appropriate)

* Insert the type of ship from among the following: passenger ship; high speed passenger craft; high speed cargo craft; bulk carrier; oil tanker; chemical tanker; gas carrier; mobile offshore drilling unit; other cargo ship.

** Delete as appropriate.

Appendix 6

REQUIREMENTS FOR COMPANY AUDITS INVOLVING DOC CHANGES

	Scenario	Type of Audit	Minimum Scope of Audit	Carried Out by	Certificate Issued
1	Change of Company name and/or address	Additional Audit on site	① Verify that Company organization and responsibilities remain essentially unchanged. ② Ensure that necessary changes have been made to SMS documentation. ③ Verify that changes have been reported to flag(s) to update the CSR for each vessel	Auditor	Reissue DOC with new name. (expiry date as previous certificate)
2	Change to CCS from a Classification Society not subject to verification of compliance with QSCS in accordance with Section 5 of Annex 1 to the QSCS	Initial Audit	① Audit to address all elements of the ISM Code. ② All corrective action to be verified and previous NCRs to be closed out by CCS	Auditor	DOC with validity not exceeding 5 years from audit completion date
3	Additional ship type on DOC	Interim Audit on site	① Review changes to SMS to accommodate new ship type. ② Review plans to implement changes (minimum of one ship required)	Auditor	Interim DOC for new ship type
4	Change from Interim DOC to full DOC in Section 4 of this Appendix	Additional Audit on site	① Verify additional requirements for ship type have been implemented. ② Review results of internal audit	Auditor	DOC (expiry date as for existing ship type).
5	Minor change to SMS	Verify at next audit	① Assess potential impact on SMS when advised and decide whether visit is required		No action
6	Major change to SMS	Additional Audit on site	① Verify changes are appropriate and adequate for new circumstances	Auditor	No action
7	Additional Flag	Additional audit on site	Verify that flag State requirements have been acquired and included in the SMS.	Auditor	DOC with same expiry date as the DOC issued on behalf of the other flag State(s)

Note: Above scenarios may be subject to flag State requirements and shall only be applied in the absence of any instructions from the Administration (it shall be agreed in writing by the administration as necessary).

Appendix 7

REQUIREMENTS FOR SHIP AUDITS INVOLVING SMC CHANGES^①

	Scenario	Action required	Minimum Scope of Audit	Condition	Certificate Issued
1	Change of Ship Name/Port of Registry/GT/Call Letters	Verification on board(Change of ship's name) Verification at office (Change of port of registry / call sign / Gross tonnage)	① Verify correct name on all Certificates and Documents. Note: Must be amended by issuing RO or by special arrangement ¹	Conducted by a surveyor or an auditor	Amend/reissue SMC as _____ appropriate. (expiry date same as the _____ previous certificate)
2	Change of Company Name and Address	Attendance on board not required	Verify DOC has been reissued with new Company name and address.	Conducted by an auditor.	Reissue SMC with the new Company name and address. (expiry date as previous certificate)
3	Change of Flag	Interim audit on board	Interim audit as required by ISM Code, 14.4	Conducted by an auditor.	Issue interim SMC.
4	Change in IMO ship type	Interim audit on board	Interim audit as required by ISM Code, 14.4.	Conducted by an auditor.	Issue Interim SMC with new ship type.
5	Adding IMO ship type (e.g. from bulk carrier to OBO)	Interim Audit on board	Interim audit as required by ISM Code, 14.4.	Conducted by an auditor	Issue interim SMC with both ship types.
6	Change to CCS from a Classification Society not subject to verification of compliance with QSCS in accordance with Section 5 of Annex 1 to the QSCS	Initial audit ²	① Audit to address all elements of ISM Code	Conducted by an auditor	Issue SMC (maximum 5 years from date of audit)
7	Change of IMO ship type, dual to single (e.g. OBO to oil tanker)	Verification on board	① Evidence of surrender of SOLAS or MAPOL related certificates for the original ship type. (e.g. surrender of IOPP Supp. B when going from OBO to bulk on permanent basis).	Conducted by a surveyor or an auditor	Amend/issue replacement SMC with appropriate ship type and same expiry date as the current SMC. Note: SMC must be amended by CCS or by special arrangement ¹
8	Ship out of service between 3 and 6 month ³ s	Additional audit if required by the flag State		Conducted by an auditor	Endorse SMC as appropriate.
9	Ship out of service more than 6 months ³	Interim Audit on board	① Interim audit.	Conducted by an auditor	Issue Interim SMC

10	Intermediate audits requested after the end of the audit time window	Intermediate audit on board	① Major NC raised that may be downgraded based on completion of audit. ② Additional audit within 3 months required	Conducted by an auditor	If reinstated, SMC to be endorsed with a statement (e.g. Validity reinstated with scope as initial). If re-issued, SMC to have same expiry date as previous certificate.
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Note: Above scenarios may be subject to flag State requirements and shall only be applied in the absence of any instructions from the Administration (it shall be agreed in writing by the administration as necessary).

1 With permission from the Administration, this society may authorize a surveyor from the vessel's Classification Society, if other than the ISM RO, to amend the SMC which was issued by CCS.

2 Vessels with interim SMC, and which are not yet ready for initial audit, shall be issued with an interim SMC with same validity as the certificate issued by the losing RO. The auditor shall take into account that there may not yet be records for all activities.

3 These instructions do not apply to ships for which seasonal lay-ups are a normal part of their operational routine – refer to MSC-MEPC.7/Circ.9.

Appendix 8

International Maritime Organization
International Management Code for the Safe Operation of Ships and for Pollution Prevention
(International Safety Management (ISM) Code)

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PREAMBLE

1. The purpose of the Code is to provide an international standard for the safe management and operation of ships and for pollution prevention.
2. The Assembly adopted resolution A.443 (XI) by which it invited all Governments to take the necessary steps to safeguard the shipmaster in the proper discharge of his responsibilities with regard to maritime safety and the protection of the marine environment.
3. The Assembly also adopted resolution A.680 (17) by which it further recognized the need for appropriate organization of management to enable it to respond to the need of those on board ships to achieve and maintain high standards of safety and environmental protection.
4. Recognizing that no two shipping Companies or shipowners are the same, and that ships operate under a wide range of different conditions, the Code is based on general principles and objectives.
5. The Code is expressed in broad terms so that it can have a widespread application. Clearly, different levels of management, whether shore-based or at sea, will require varying levels of knowledge and awareness of the items outlined.
6. The cornerstone of good safety management is commitment from the top. In matters of safety and pollution prevention it is the commitment, competence, attitudes and motivation of individuals at all levels that determines the end result.
7. The footnotes given in this Code are inserted for reference and guidance purposes and do not constitute requirements under the Code. However, in accordance with paragraph 1.2.3.2, all relevant guidelines, recommendations, etc. should be taken into account. In all cases the reader must make use of the latest versions of the referenced texts of the document specified in a footnote, bearing in mind that such texts may have been revised or superseded by updated material.

Part A - IMPLEMENTATION

1. GENERAL

1.1 Definitions

- 1.1.1 “International Safety Management (ISM) Code” means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the Assembly, as may be amended by the Organization.
- 1.1.2 “Company” means the owner of the ship or any other organization or person such as the manager, or the bareboat charterer, who has assumed the responsibility for operation of the ship from the shipowner and who on assuming such responsibility has agreed to take over all the duties and responsibility imposed by the Code.
- 1.1.3 “Administration” means the Government of the State whose flag the ship is entitled to fly.
- 1.1.4 “Safety Management System” means a structured and documented system enabling Company personnel to implement effectively the Company safety and environmental protection policy.
- 1.1.5 “Document of Compliance” means a document issued to a Company which complies with the requirements of this Code.
- 1.1.6 “Safety Management Certificate” means a document issued to a ship which signifies that the Company and its shipboard management operates in accordance with the approved safety management system.
- 1.1.7 “Objective evidence” means quantitative or qualitative information, records or statements of fact pertaining to safety or the existence and implementation of an safety management system element, which is based on observation, measurement or test and which can be verified.
- 1.1.8 “Observation” means a statement of fact made during a safety management audit and substantiated by objective evidence.
- 1.1.9 “Non-conformity” means an observed situation where objective evidence indicates the non-fulfillment of a specified requirement.
- 1.1.10 “Major non-conformity^①” means an identifiable deviation that poses a serious threat to the safety of personnel or the ship or a serious risk to the environment that requires immediate corrective action or the lack of effective and systematic implementation of a requirement of this Code.
- 1.1.11 “Anniversary date” means the day and month of each year that corresponds to the date of expiry of the relevant document or certificate.
- 1.1.12 “Convention” means the International Convention for the Safety of Life at Sea, 1974, as amended.

1.2 Objectives

- 1.2.1 The objectives of the Code are to ensure safety at sea, prevention of human injury or loss of life, and avoidance of damage to the environment, in particular, to the marine environment, and to property.
- 1.2.2 Safety management objectives of the Company should, inter alia:
- .1 provide for safe practices in ship operation and a safe working environment;
 - .2 assess all identified risks to its ships, personnel and the environment and establish appropriate safeguards; and
 - .3 continuously improve safety management skills of personnel ashore and aboard ships, including preparing for emergencies related both to safety and environmental protection.

^① Refer to the Procedures concerning observed ISM Code major non-conformities (MSC/Circ.1059-MEPC/Circ.401).

1.2.3 The safety management system is to ensure:

- .1 compliance with mandatory rules and regulations; and
- .2 that applicable codes, guidelines and standards recommended by the Organization, Administrations, classification societies and maritime industry organizations are taken into account^①.

1.3 Application

The requirements of the Code may be applied to all ships.

1.4 Functional requirements for a safety management system

Every Company is to develop, implement and maintain a safety management system (SMS) which includes the following functional requirements:

- .1 a safety and environmental protection policy;
- .2 instructions and procedures to ensure safe operation of ships and protection of the environment in compliance with relevant international and flag state legislation;
- .3 defined levels of authority and lines of communication between, and amongst, shore and shipboard personnel;
- .4 procedures for reporting accidents and non-conformities with the provisions of the Code;
- .5 procedures to prepare for and respond to emergency situations; and
- .6 procedures for internal audits and management reviews.

2. SAFETY AND ENVIRONMENTAL PROTECTION POLICY

- 2.1 The Company is to establish a safety and environmental protection policy which describes how the objectives, given in paragraph 1.2, will be achieved.
- 2.2 The Company is to ensure that the policy is implemented and maintained at all levels of the organization both ship based as well as shore-based.

3. COMPANY RESPONSIBILITIES AND AUTHORITY^②

- 3.1 If the entity who is responsible for the operation of the ship is other than the owner, the owner must report the full name and details of such entity to the Administration.
- 3.2 The Company is to define and document the responsibility, authority and interrelation of all personnel who manage, perform and verify work relating to and affecting safety and pollution prevention.
- 3.3 The Company is responsible for ensuring that adequate resources and shore-based support are provided to enable the designated person or persons to carry out their functions.

4. DESIGNATED PERSON(S)^③

To ensure the safe operation of each ship and to provide a link between the Company and those on board, every company, as appropriate, is to designate a person or persons ashore having direct access to the

^① Refer to the List of codes, recommendations, guidelines and other safety and security-related non-mandatory instruments (MSC.1/Circ.1371).

^② Refer to the Guidelines for the operational implementation of the International Safety Management (ISM) Code by Companies (MSC-MEPC.7/Circ.5).

^③ Refer to the Guidance on the qualifications, training and experience necessary for undertaking the role of the Designated Person under the provisions of the International Safety Management (ISM) Code (MSC-MEPC.7/Circ.6).

highest level of management. The responsibility and authority of the designated person or persons should include monitoring the safety and pollution prevention aspects of the operation of each ship and ensuring that adequate resources and shore-based support are applied, as required.

5. MASTER'S RESPONSIBILITY AND AUTHORITY

- 5.1 The Company should clearly define and document the master's responsibility with regard to:
- .1 implementing the safety and environmental-protection policy of the Company;
 - .2 motivating the crew in the observation of that policy;
 - .3 issuing appropriate orders and instructions in a clear and simple manner;
 - .4 verifying that specified requirements are observed; and
 - .5 periodically reviewing the safety management system and reporting its deficiencies to the shore-based management.
- 5.2 The Company should ensure that the SMS operating on board the ship contains a clear statement emphasizing the master's authority. The Company should establish in the safety management system that the master has the overriding authority and the responsibility to make decisions with respect to safety and pollution prevention and to request the Company's assistance as may be necessary.

6. RESOURCES AND PERSONNEL

- 6.1 The Company should ensure that the master is:
- .1 properly qualified for command;
 - .2 fully conversant with the Company's safety management system; and
 - .3 given the necessary support so that the master's duties can be safely performed.
- 6.2 The Company should ensure that each ship is:
- .1 manned with qualified, certificated and medically fit seafarers in accordance with national and international requirements; and
 - .2 appropriately manned in order to encompass all aspects of maintaining safe operations on board^①.
- 6.3 The Company should establish procedures to ensure that new personnel and personnel transferred to new assignments related to safety and protection of the environment are given proper familiarization with their duties. Instructions which are essential to be provided prior to sailing should be identified, documented and given.
- 6.4 The Company should ensure that all personnel involved in the Company's safety management system have an adequate understanding of relevant rules, regulations, codes and guidelines.
- 6.5 The Company should establish and maintain procedures for identifying any training which may be required in support of the safety management system and ensure that such training is provided for all personnel concerned.
- 6.6 The Company should establish procedures by which the ship's personnel receive relevant information on the safety management system in a working language or languages understood by them.
- 6.7 The Company should ensure that the ship's personnel are able to communicate effectively in the execution of their duties related to the safety management system.

7. SHIPBOARD OPERATIONS

The Company should establish procedures, plans and instructions, including checklists as appropriate, for

^① Refer to the Principles of minimum safe manning, adopted by the Organization .

key shipboard operations concerning the safety of the personnel, ship and protection of the environment. The various tasks should be defined and assigned to qualified personnel.

8. EMERGENCY PREPAREDNESS^①

- 8.1 The Company should identify potential emergency shipboard situations, and establish procedures to respond to them.
- 8.2 The Company should establish programmes for drills and exercises to prepare for emergency actions.
- 8.3 The safety management system should provide for measures ensuring that the Company's organization can respond at any time to hazards, accidents and emergency situations involving its ships.

9. REPORTS AND ANALYSIS OF NON-CONFORMITIES, ACCIDENTS AND HAZARDOUS OCCURRENCES^②

- 9.1 The safety management system should include procedures ensuring that non-conformities, accidents and hazardous situations are reported to the Company, investigated and analyzed with the objective of improving safety and pollution prevention.
- 9.2 The Company should establish procedures for the implementation of corrective action, including measures intended to prevent recurrence.

10. MAINTENANCE OF THE SHIP AND EQUIPMENT

- 10.1 The Company should establish procedures to ensure that the ship is maintained in conformity with the provisions of the relevant rules and regulations and with any additional requirements which may be established by the Company.
- 10.2 In meeting these requirements the Company should ensure that:
 - .1 inspections are held at appropriate intervals;
 - .2 any non-conformity is reported with its possible cause, if known;
 - .3 appropriate corrective action is taken; and
 - .4 records of these activities are maintained.
- 10.3 The Company should identify equipment and technical systems the sudden operational failure of which may result in hazardous situations. The safety management system should provide for specific measures aimed at promoting the reliability of such equipment or systems. These measures should include the regular testing of stand-by arrangements and equipment or technical systems that are not in continuous use.
- 10.4 The inspections mentioned in 10.2 as well as the measures referred to in 10.3 are to be integrated in the ship's operational maintenance routine.

11. DOCUMENTATION^③

- 11.1 The Company should establish and maintain procedures to control all documents and data which are relevant to the safety management system.

^① Refer to the Guidelines for a structure of an integrated system of contingency planning for shipboard emergencies, adopted by the Organization by resolution A.852 (20), as amended.

^② Refer to the Guidance on near-miss reporting (MSC-MEPC.7/Circ.7).

^③ Refer to the Revised list of certificates and documents required to be carried on board ships .

11.2 The Company should ensure that:

- .1 valid documents are available at all relevant locations;
- .2 changes to documents are reviewed and approved by authorized personnel; and
- .3 obsolete documents are promptly removed.

11.3 The documents used to describe and implement the safety management system may be referred to as the "Safety Management Manual". Documentation should be kept in a form that the Company considers most effective. Each ship should carry on board all documentation relevant to that ship.

12. COMPANY VERIFICATION, REVIEW AND EVALUATION

12.1 The Company should carry out internal safety audits onboard and ashore at intervals not exceeding twelve months to verify whether safety and pollution-prevention activities comply with the safety management system. In exceptional circumstances, this interval may be exceeded by not more than three months.

12.2 The Company should periodically verify whether all those undertaking delegated ISM-related tasks are acting in conformity with the Company's responsibilities under the Code.

12.3 The Company should periodically evaluate the effectiveness of the safety management system in accordance with procedures established by the Company.

12.4 The audits and possible corrective actions should be carried out in accordance with documented procedures.

12.5 Personnel carrying out audits should be independent of the areas being audited unless this is impracticable due to the size and the nature of the Company.

12.6 The results of the audits and reviews should be brought to the attention of all personnel having responsibility in the area involved.

12.7 The management personnel responsible for the area involved should take timely corrective action on deficiencies found.

PART B – CERTIFICATION AND VERIFICATION

13. CERTIFICATION AND PERIODICAL AUDIT

13.1 The ship should be operated by a Company which has been issued with a Document of Compliance or with an Interim Document of Compliance in accordance with paragraph 14.1, relevant to that ship.

13.2 The Document of Compliance should be issued by the Administration, by an organization recognized by the Administration or, at the request of the Administration, by another Contracting Government to the Convention to any Company complying with the requirements of this Code for a period specified by the Administration which is not to exceed five years. Such a document should be accepted as evidence that the Company is capable of complying with the requirements of this Code.

13.3 The Document of Compliance is only valid for the ship types explicitly indicated in the document. Such indication should be based on the types of ships on which the initial audit was based. Other ship types should only be added after audit of the Company's capability to comply with the requirements of this Code applicable to such ship types. In this context, ship types are those referred to in regulation IX/1 of the Convention.

13.4 The validity of a Document of Compliance should be subject to annual verification by the

- Administration or by an organization recognized by the Administration or, at the request of the Administration by another Contracting Government within three months before or after the anniversary date.
- 13.5 The Document of Compliance should be withdrawn by the Administration or, at its request, by the Contracting Government which issued the document, when the annual audit required in paragraph 13.4 is not requested or if there is evidence of major non-conformities with this Code.
- 13.5.1 All associated Safety Management Certificates and/or Interim Safety Management Certificates should also be withdrawn if the Document of Compliance is withdrawn.
- 13.6 A copy of the Document of Compliance should be placed on board in order that the master of the ship, if so requested, may produce it for verification by the Administration or by an organization recognized by the Administration or for the purposes of the control referred to in regulation IX/6.2 of the Convention. The copy of the document is not required to be authenticated or certified.
- 13.7 The Safety Management Certificate should be issued to a ship for a period which is not to exceed five years by the Administration or an organization recognized by the Administration or, at the request of the Administration, by another Contracting Government. The Safety Management Certificate should be issued after verifying that the Company and its shipboard management operate in accordance with the approved safety management system. Such a certificate should be accepted as evidence that the ship is complying with the requirements of this Code.
- 13.8 The validity of the Safety Management Certificate should be subject to at least one intermediate verification by the Administration or an organization recognized by the Administration or, at the request of the Administration, by another Contracting Government. If only one intermediate verification should be carried out and the period of validity of the Safety Management Certificate is five years, it should take place between the second and third anniversary date of the Safety Management Certificate.
- 13.9 In addition to the requirements of paragraph 13.5.1, the Safety Management Certificate should be withdrawn by the Administration or, at the request of the Administration, by the Contracting Government which has issued it when the intermediate verification required in paragraph 13.8 is not requested or if there is evidence of major non-conformity with this Code.
- 13.10 Notwithstanding the requirements of paragraphs 13.2 and 13.7, when the renewal audit is completed within three months before the expiry date of the existing Document of Compliance or Safety Management Certificate, the new Document of Compliance or the new Safety Management Certificate should be valid from the date completion of the renewal verification for a period not exceeding five years from the date of expiry of the existing Document of Compliance or Safety Management Certificate.
- 13.11 When the renewal verification is completed more than three months before the expiry date of the existing Document of Compliance or Safety Management Certificate, the new Document of Compliance or the new Safety Management Certificate should be valid from the date of completion of the renewal audit for a period not exceeding five years from the date of completion of the renewal audit.
- 13.12 When the renewal verification is completed after the expiry date of the existing Safety Management Certificate, the new Safety Management Certificate should be valid from the date of completion of the renewal verification to a date not exceeding five years from the date of expiry of the existing Safety Management Certificate.

- 13.13 If a renewal verification has been completed and a new Safety Management Certificate cannot be issued or placed onboard the ship before the expiry date of the existing certificate, the Administration or organization recognized by the Administration may endorse the existing certificate and such a certificate should be accepted as valid for a further period which is not to exceed five months from the expiry date.
- 13.14 If a ship at the time when a Safety Management Certificate expires is not in a port in which it should be verified, the Administration may extend the period of validity of the Safety Management Certificate but this extension should be granted only for the purpose of allowing the ship to complete its voyage to the port in which it is to be verified, and then only in case where it appears proper and reasonable to do so. No Safety Management Certificate should be extended for a period of longer than three months, and the ship to which an extension is granted is not, on its arrival in the port in which it is to be verified, be entitled by virtue of such extension to leave that port without having a new Safety Management Certificate. When the renewal verification is completed, the new Safety Management Certificate should be valid to a date not exceeding five years from the expiry date of the existing Safety Management Certificate before the extension was granted.

14. INTERIM CERTIFICATION

- 14.1 An Interim Document of Compliance may be issued to facilitate initial implementation of this Code when:
- .1 a Company is newly established; or
 - .2 new ship types should be added to an existing Document of Compliance,
- following verification that the Company has a safety management system that meets the objectives of paragraph 1.2.3 of this Code, provided the Company demonstrates plans to implement a safety management system meeting the full requirements of this Code within the period of validity of the Interim Document of Compliance. Such an Interim Document of Compliance should be issued for a period not exceeding 12 months by the Administration or by an organization recognized by the Administration or, at the request of the Administration, by another Contracting Government. A copy of the Interim Document of Compliance should be placed on board in order that the master of the ship, if so requested, may produce it for verification by the Administration or by an organization recognized by the Administration or for the purposes of the control referred to in regulation IX/6.2 of the Convention. The copy of the document is not required to be authenticated or certified.
- 14.2 An Interim Safety Management Certificate may be issued:
- .1 to new ships on delivery;
 - .2 when a Company takes on responsibility for the operation of a ship which is new to the Company;
- or
- .3 when a ship changes flag.
- Such an Interim Safety Management Certificate should be issued for a period not exceeding 6 months by the Administration or an organization recognized by the Administration or, at the request of the Administration, by another Contracting Government.
- 14.3 An Administration or, at the request of the Administration, another Contracting Government may, in special cases, extend the validity of an Interim Safety Management Certificate for a further period which is not to exceed 6 months from the date of expiry.
- 14.4 An Interim Safety Management Certificate may be issued following verification that:

- .1 the Document of Compliance, or the Interim Document of Compliance, is relevant to the ship concerned;
- .2 the safety management system provided by the Company for the ship concerned includes key elements of this Code and has been assessed during the audit for issuance of the Document of Compliance or demonstrated for issuance of the Interim Document of Compliance;
- .3 the Company has planned the internal audit of the ship within three months;
- .4 the master and officers are familiar with the safety management system and the planned arrangements for its implementation;
- .5 instructions, which have been identified as being essential, are provided prior to sailing; and
- .6 relevant information on the safety management system has been given in a working language or languages understood by the ship's personnel.

15. VERIFICATION

- 15.1 All verifications required by the provisions of this Code should be carried out in accordance with procedures acceptable to Administration, taking into account the guidelines developed by the Organization.

16. FORMS OF CERTIFICATES

- 16.1 The Document of Compliance, the Safety Management Certificate, the Interim Document of Compliance and the Interim Safety Management Certificate should be drawn up in a form corresponding to the models given in the appendix of this Code. If the language used is neither English nor French, the text should include a translation into one of these languages.
- 16.2 In addition to the requirements of paragraph 13.3 the ship types indicated on the Document of Compliance and the Interim Document of Compliance may be endorsed to reflect any limitations in the operations of the ships described in the safety management system.