

# RULES FOR THE AUDIT AND REGISTRATION OF SAFETY MANAGEMENT SYSTEMS

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# RULES FOR THE AUDIT AND REGISTRATION OF SAFETY MANAGEMENT SYSTEMS

## Chapter 1 GENERAL PROVISIONS

### 1.1 General

#### 1.1.1 Application

1 NIPPON KAIJI KYOKAI (hereinafter referred to as “the Society”) is to audit and register the safety management systems (hereinafter referred to as the “SMS”) in compliance with the International Safety Management Code (hereinafter referred to as the “ISM Code”) in accordance with the provisions set forth in these Rules for the Audit and Registration of Safety Management Systems (hereinafter referred to as “the Rules”).

2 The Rules will apply to safety management systems for ships other than Japanese flag vessels and their management companies who have responsibility for the operation of the ships (hereinafter referred to as “Companies”).

3 Registration of a safety management system will be made based on the application submitted by the company.

#### 1.1.2 Equivalency\*

When the safety management system of a company and the ship concerned is considered by the Society to be equivalent in its effects to one complying with the requirements of the Rules, the said safety management system may be deemed to comply with the Rules.

#### 1.1.3 Definitions of Terms\*

For the purposes of the Rules, the following definitions apply unless otherwise provided for:

- (1) *International Safety Management (ISM) Code* means the International Management Code for the Safe Operation of Ships and for Pollution Prevention adopted by the International Maritime Organization (IMO) by resolution A.741(18), as may be amended by the IMO, provided that such amendments are adopted, brought into force and take effect in accordance with the provisions concerning the amendment procedures specified by IMO.
- (2) “Safety Management System” means a structured and documented system which enables the personnel of the Company to implement the safety and environmental protection policy of the Company effectively.
- (3) “Company” means one of the following, as defined in the ISM Code:
  - (a) An independent organization or an individual who is responsible for the operation, maintenance, manning, etc. of a ship based on a management contract or bareboat charter party contract with the shipowner.
  - (b) A shipowner or operator who has a ship management section as a part of their organization and, in such case, the section (or sections) is (are) in charge of the activities covering the overall management of ship operation, maintenance and manning. However, an organization which performs only a portion of these activities does not correspond to the definition of a Company required to implement an SMS as set forth in the Rules.
  - (c) A ship operator, ship manager, bareboat charterer, or any other organization or person 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 duties and responsibilities imposed by the ISM Code.
- (4) “Non-conformity” means an observed situation where objective evidence indicates the non-fulfillment of a specified requirement. Major Non-conformity is either of the following states:
  - (a) An identifiable deviation that poses a serious threat to personnel or ship safety, or a serious risk to the environment and requires immediate corrective action.
  - (b) The lack of effective and systematic implementation of the requirements of the ISM Code.
- (5) “Anniversary Date” means the yearly date corresponding to the expiry date of the period of validity of a Document of Compliance (hereinafter referred to as a “DOC”) for a registered company, and the yearly date corresponding

to the expiry date of a Safety Management Certificate (hereinafter referred to as the “SMC”) for a registered ship, both of which exclude the expiry date of the period of validity of the Document or Certificate.

## **Chapter 2 REGISTRATION OF SAFETY MANAGEMENT SYSTEMS**

### **2.1 Registration of Safety Management Systems\***

**1** The Society is to carry out audits on the safety management system of a company and each ship concerned in accordance with the provisions of **Chapter 3** of these Rules, and register the safety management system of the company and each respective ship in the Safety Management System Register Book when the safety management system has been found to satisfy the requirements of the ISM Code (hereinafter referred to as “ISM Registration”).

**2** The Society is to enter the name of the company, the type(s) of ships under management of the company and other relevant details for registering the company, and enter the name of each respective ship and other related details regarding the registration of the ship in the Safety Management System Register Book.

**3** The Society is to revise the entries in the Safety Management System Register Book whenever the content of any registered item or items are changed.

**4** The Society is to enter the registered items prescribed in **-2** above in the “Register of Company and Ship Safety Management Systems” and publish it.

**5** The Company is to notify the Society of any changes made to any of the items listed as entries in the “Register of Company and Ship Safety Management Systems” in a prompt and timely manner.

### **2.2 Maintenance of ISM Registration**

**1** The Company and each ship registered as described in **2.1** above are to undergo Periodical Audits and Additional Audits in accordance with the provisions of **Chapter 3** in order to maintain ISM registration.

**2** The Society is to carry out Renewal Audits of the Company and each ship and renew and re-issue a DOC and SMC, respectively, if the SMS has been verified as being effectively implemented in compliance with the requirements of the ISM Code.

### **2.3 Documents and Certificates**

#### **2.3.1 Issuance of DOCs and SMCs\***

The Society is to issue a DOC or an Interim Document of Compliance (hereinafter referred to as an “Interim DOC”) to the SMS registered Company, and a SMC or an Interim Safety Management Certificate (hereinafter referred to as an “Interim SMC”) to the SMS registered ship provided that the SMS satisfies the requirements of the ISM Code and the Rules.

#### **2.3.2 DOC and SMC**

**1** The period of validity of a DOC and a SMC is to be five years from the date of completion of each respective Initial Audit prescribed in **3.3.1** or the date of completion of each previous Renewal Audit prescribed in **3.3.3**.

**2** Notwithstanding the requirements set forth in **-1** above, when the Renewal Audit is completed within *3 months* before the expiry date of the existing DOC or SMC, the new DOC or new SMC is to be valid from the date of completion of the Renewal Audit for a period of five years from the date of expiry of the existing DOC or SMC.

**3** Notwithstanding the requirements set forth in **-1** above, when the Renewal Audit is completed after the expiry date of the existing SMC, the new SMC is to be valid from the date of completion of the Renewal Audit to a date not exceeding five years from the date of expiry of the existing SMC.

**4** If a ship is not in the port in which the Renewal Audit is to be carried out at the time when its SMC expires, the Administration may extend the period of validity of the SMC. However, this extension is to be granted only for the purpose of allowing the ship to complete its voyage to the port in which the Renewal Audit is to be carried out, and then only in cases where it appears proper and reasonable to do so. No SMC is to be extended for a period of longer than *3 months*, and the ship to which such an extension is granted is not, upon its arrival at the port where the Renewal Audit is to be carried out, to be entitled by virtue of such an extension to leave that port without having a new SMC. When the Renewal Audit is completed, the new SMC is to be valid to a date not exceeding five years from the expiry

date of the existing SMC before the extension was granted.

5 If the Renewal Audit has been completed and the new SMC cannot be issued or placed on board the ship before the expiry date of the existing SMC, the existing SMC may be accepted as valid for a further period not exceeding five months from the expiry date.

### **2.3.3 Interim DOC and Interim SMC\***

1 The Society is to issue the Interim DOC and Interim SMC when considered appropriate upon completion of the conduct of an audit in accordance with the requirements of 3.3.2 below.

2 The period of validity of an Interim DOC issued in accordance with sub-paragraph -1 above is to be not longer than 12 *months* after the date of completion of the audit prescribed in 4.2 below.

3 The period of validity of an Interim SMC issued in accordance with -1 above is to be not longer than 6 *months* after the date of completion of the audit prescribed in section 5.2 below.

4 The period of validity of an Interim SMC issued in accordance with -3 above may be extended up to a period not exceeding 6 *months* subject to the approval of the Administration of the ship.

5 In addition to the requirements specified in 2.3.4 below, an Interim DOC or an Interim SMC is to become invalid when a DOC or SMC is issued by the Society.

### **2.3.4 Invalidation of Documents and Certificates\***

1 A DOC or an Interim DOC is to become invalid when any of the following (1) through (5) is applicable:

- (1) when the Company does not undergo the Periodical Audits prescribed in **Chapter 4**;
- (2) when no corrective actions have been taken by the Company to remedy major non-conformities;
- (3) when corrective actions for non-conformities found during a Periodical Audit have not been taken by the Company within the time period specified;
- (4) when requirements of the ISM Code have been amended, but the Company does not intend to comply with the amendments of the ISM Code or is unable to conform thereto; or
- (5) when audit fees and expenses have not been paid by the Company.

2 A SMC or Interim SMC is to become invalid when any of the following conditions (1) through (8) is applicable:

- (1) when the ship managed by the Company does not undergo Periodical Audits as prescribed in **Chapter 5**;
- (2) when corrective actions to remedy major non-conformities concerning the ship have not been taken by the Company;
- (3) when corrective actions to remedy non-conformities concerning the ship found during Periodical Audits have not been taken within the time period specified;
- (4) when the requirements of the ISM Code have been amended and the ship under management of the Company does not intend to comply with the amendments of the ISM Code or is unable to conform thereto;
- (5) when the Company is not in possession of a valid DOC or an Interim DOC issued by the Society or any other classification society or issuing authority;
- (6) when the ship is not in possession of the valid statutory certificates that are necessary for international operation;
- (7) when the ship is not classed and registered and further, does not maintain such class with the Society or any other classification society recognized by the Society; or
- (8) when audit fees and expenses have not been paid.

## **2.4 Retention, Re-issuance, Revision, or Returning of Documents and Certificates**

### **2.4.1 Retention of Documents and Certificates**

The Company is to retain the DOC or Interim DOC and the copies of the SMC or Interim SMC of each ship at the company on file within the Company. Further, each ship is to retain the SMC or Interim SMC along with a copy of the DOC or Interim DOC onboard the ship. The Company is to present them to the Society upon request.

### **2.4.2 Re-issuance of Documents and Certificates**

When the DOC, Interim DOC, SMC or Interim SMC has been lost or damaged, the Company is to submit a request to the Society without delay to have the relevant document or certificate reissued.

### **2.4.3 Revising Entries on Documents and Certificates\***

1 The Company is to, without delay, apply to the Society to request that it rewrite and reissue the DOC or Interim

DOC, as well as the SMC or Interim SMC whenever there is a change in the content of the same.

2 When there is a decrease in the types of ships under management of the Company, the Company is to apply to the Society to have the DOC revised to reflect the change.

#### **2.4.4 Returning Documents and Certificates**

1 The Company is to immediately return the Interim DOC or the Interim SMC of each ship to the Society when a DOC or a SMC is issued in accordance with **2.3.1**.

2 The Company is to immediately return the old DOC or old SMC of each ship to the Society whenever a DOC or a SMC is re-issued (except in the case of replacement of a missing DOC or SMC) as per **2.4.2** or whenever the entries in such DOC or SMC are to be revised as per **2.4.3** above.

3 The Company is to immediately return the DOC or Interim DOC, or the SMC or Interim SMC of each ship in the event that the ISM registration of the Company is withdrawn and the certificates have been invalidated under the provisions of **2.5**.

4 When a lost DOC, Interim DOC, SMC, or Interim SMC has been found after the same has already been reissued, the Company is to immediately return the former certificate thus found to the Society.

### **2.5 Termination of ISM Registration\***

#### **2.5.1 Termination of ISM Registration of Company**

The Society is to withdraw the ISM registration of the Company and notify the Company of such termination whenever any of the following conditions **(1)** through **(3)** become applicable:

- (1) when an application to cancel the ISM registration of the Company is received from the Company;
- (2) when the SMCs or the Interim SMCs of all applicable ships subject to the SMS have become invalidated; or
- (3) when the DOC or Interim DOC becomes invalidated under the provisions of **2.3.4-1** above.

#### **2.5.2 Termination of ISM Registration of Ship**

The Society is to withdraw the ISM registration of the ship and notify the Company of the same whenever either of the following conditions becomes applicable:

- (1) when an application to cancel the ISM registration of the ship is received from the company; or
- (2) when the SMC or Interim SMC becomes invalidated under the provisions of **2.3.4-2** above, except in the case where the SMC or Interim SMC of the ships laid up becomes invalidated under the provisions of **2.3.4-2(1)**.

## **Chapter 3      AUDIT OF SAFETY MANAGEMENT SYSTEMS**

### **3.1      Conduct of Audits\***

Audit is to be carried out at the request of the Company by safety management systems auditors, or marine management systems auditors of the Society (hereinafter referred to as the “auditor”) who has been properly qualified and assigned under requirements provided separately.

### **3.2      Types of Audits**

SMS audits consist of the following types:

- 1**    Initial Audit
- 2**    Audit for issuing Interim DOC
- 3**    Audit for issuing Interim SMC
- 4**    Periodical Audits
  - (1) Annual Audit
  - (2) Intermediate Audit
  - (3) Renewal Audit
- 5**    Additional Audit

### **3.3      Conduct of Audits and Timing**

#### **3.3.1      Initial Audit**

- 1**    An Initial Audit is to be carried out on the SMS of the Company when a DOC is issued for the first time, or on the SMS with respect to the ship when a SMC is issued for the first time.
- 2**    The Company and each ship that has received an Interim DOC or an Interim SMC under the provisions of **2.3.3** above is to undergo an Initial Audit within the period of validity of said interim document or certificate.

#### **3.3.2      Audit for Issuing Interim DOC or Audit for Issuing Interim SMC**

- 1**    The Audit for issuing an Interim DOC or Interim SMC is to be carried out in accordance with either of the following -**2** or -**3**.
- 2**    When either of the following cases is applicable, the Society is to carry out the audit prescribed in **4.2** for the Company:
  - (1) when a new company is established to manage ships; or
  - (2) when new ship types are added to an existing DOC.
- 3**    When any of the following cases (**1**) through (**4**) is applicable, the Society is to carry out the audit prescribed in **5.2** for the ship:
  - (1) when an SMS is applied to a newly constructed ship;
  - (2) when an SMS is applied to a ship to which -**2(2)** above applies;
  - (3) when an SMS is applied to a ship whose type has been changed; or
  - (4) when an SMS is applied to a ship whose company or flag state has been changed.

#### **3.3.3      Renewal Audit**

The Renewal Audit of the SMS of the Company or each ship is to be completed prior to the expiry date of the DOC or SMC.

#### **3.3.4      Intermediate Audit**

The Intermediate Audit is to be carried out on the SMS for each ship between the second and the third anniversary dates following the Initial Audit or the previous Renewal Audit of the SMC.

**3.3.5 Annual Audit**

The Annual Audit is to be carried out on the SMS of the Company within three months before or after the anniversary date.

**3.3.6 Additional Audit\***

Additional Audits is to be carried out at the request of the Company at any time other than those indicated for Periodical Audits when any of the following cases (1) through (3) becomes applicable:

- (1) when substantial modifications have been made to the SMS;
- (2) when an Interim DOC issued under the provisions of 2.3.3 should be changed to a DOC in which case 3.3.2-2(2) applies; or
- (3) when the Society deems such an audit to be necessary.

**3.4 Preparations for Audit**

**1** A company whose ships are to undergo an audit should make necessary preparations based on the Audit Plan forwarded to the Company by the Society or the instructions given by the auditors. This includes ensuring that all documents, records, etc. relevant to the SMS are made available to the auditor(s) so as to enable them to carry out audits in accordance with the Audit Program.

**2** When undergoing audits of the SMS of the Company or each ship, the Company is to assign personnel who are fully conversant with audit procedures and capable of preparing for the audit.

**3** An audit may be suspended in cases where the Company fails to make necessary preparations for the audit or does not assign the personnel mentioned in -2 to be present during the audit, or when the auditor considers that adequate measures have not been taken to ensure safety during the execution of the audit.



## **Chapter 4      AUDIT OF COMPANY SMS**

### **4.1      Initial Audit of Company**

#### **4.1.1      General\***

During the Initial Audit of a Company, the Society is to review the documents submitted by the Company in accordance with **4.1.2** and verify that the documented SMS conforms with the requirements of the ISM Code (hereinafter referred to as the “Company Document Review”). After the Company Document Review, the Society is to then carry out an audit of the Company SMS itself in order to verify that the SMS is being implemented in an effective manner (hereinafter referred to as the “Company Audit”).

#### **4.1.2      Documents to be Submitted\***

**1** The Company is to submit the following documents to the Society for review:

- (1) Safety Management Manual as defined in Section 11.3 of the ISM Code;
- (2) Types of ships to be registered under the SMS; and
- (3) Outline of the Company and a brief description of its business activities.

**2** When deemed necessary, the Society may request that additional explanatory documents and materials be submitted regarding the SMS, in addition to the documents mentioned in sub-paragraph **-1** above.

#### **4.1.3      Document Review\***

**1** After receiving the documents described in **4.1.2** above, the Society is to carry out the Company Document Review prescribed in **4.1.1**.

**2** When non-conformities with the requirements of the ISM Code are found in the SMS during the Company Document Review, the Society may require the Company to take appropriate corrective actions to remedy such non-conformities.

**3** The Society may, when it deems necessary, carry out a preliminary visit to the Company in advance of the Company Audit in order to gain a better understanding of the size, nature and other aspects of the SMS and to aid in the preparation of the Company Audit Plan.

#### **4.1.4      Execution of Company Audit\***

**1** During the Company Audit, the Society is to carry out audits to ensure that the SMS of the Company is being implemented effectively as described in the Safety Management Manual referred to in **4.1.2** above.

**2** The Society is to notify the Company of the results of the Company Audit in writing. When there are non-conformities for which corrective actions are to be taken by the Company, the Society is to, after reaching agreement with the Company, also notify the Company of the time limit by which the corrective actions are to be completed.

#### **4.1.5      Actions Regarding Non-conformities\***

When the Company is required by the Society during the Company Audit to take appropriate corrective actions to remedy non-conformities with the requirements of the ISM Code, the Company should take the indicated corrective actions without delay, and undergo a Follow-up Audit to verify the results of the actions taken.

### **4.2      Audit for Issuing Interim DOC**

The Society is to carry out an Audit for Issuing an Interim DOC for the newly established SMS of a Company and issue an Interim DOC to the Company when both of the following requirements **(1)** and **(2)** have been verified at the audit:

- (1) when the Company is verified, in accordance with **4.1.3** above, to have implemented an SMS meeting the objectives defined in **1.2.3** of the ISM Code; and
- (2) when the Company has a plan to implement the SMS conforming to the requirements of the ISM Code within the period of validity of the Interim DOC.

### **4.3 Periodical Audit of Company**

#### **4.3.1 Renewal Audit\***

At a Renewal Audit of a Company, the Society is to review all aspects of the SMS of the Company and verify that the SMS is effectively implemented in accordance with the requirements of the ISM Code, including verification of modifications and corrective actions taken after the previous audit.

#### **4.3.2 Annual Audit\***

The Society is to carry out Annual Audits of the Company in order to verify that the SMS is effectively implemented (including verification that the modifications and corrective actions taken after the previous audit are in compliance with the requirements of the ISM Code).

#### **4.3.3 Actions Regarding Non-conformities\***

When the Company is required by the Society during a Periodical Audit to take appropriate corrective actions to remedy non-conformities with the requirements of the ISM Code, the Company should take the indicated corrective actions without delay and undergo a Follow-up Audit to verify the results of the actions taken.

### **4.4 Additional Audit of Company**

#### **4.4.1 General\***

The Society is to carry out Additional Audits with respect to the matters described in 3.3.6 above in order to verify that the SMS is being effectively implemented in accordance with the requirements of the ISM Code.

#### **4.4.2 Actions Regarding Non-conformities\***

When the company is required by the Society during an Additional Audit to take appropriate corrective actions to remedy non-conformities with requirements of the ISM Code, the Company should take the indicated corrective actions without delay and undergo a Follow-up Audit to verify the results of the actions taken.

## **Chapter 5      AUDIT OF SHIPBOARD SMS**

### **5.1      Initial Audit of Ship**

#### **5.1.1      General\***

During the Initial Audit of a ship, the Society is to, after verifying that the DOC of the Company is valid and appropriate, review the documents submitted by the Company in accordance with **5.1.2** and verify that the documented SMS conforms with the requirements of the ISM Code (hereinafter referred to as the “Shipboard Document Review”). After the Shipboard Document Review, the Society is to then carry out an audit of the shipboard SMS itself in order to verify that the SMS is being implemented in an effective manner (hereinafter referred to as the “Shipboard Audit”).

#### **5.1.2      Documents to be Submitted\***

**1** The Company is to submit the following documents to the Society for review:

- (1) a copy of the DOC;
- (2) Safety Management Manual as defined in Section 11.3 of the ISM Code; and
- (3) principal particulars of the ship for undergoing a Shipboard Audit.

**2** When deemed necessary, the Society may request that additional explanatory documents and materials be submitted regarding the SMS, in addition to the documents mentioned in **-1** above.

#### **5.1.3      Document Review\***

**1** After receiving the documents described in **5.1.2** above, the Society is to carry out the Shipboard Document Review prescribed in **5.1.1**.

**2** When non-conformities with the requirements of the ISM Code are found in the SMS during the Shipboard Document Review, the Society may require the Company to take appropriate corrective actions to remedy such non-conformities.

#### **5.1.4      Execution of Shipboard Audit\***

**1** During the Shipboard Audit, the Society is to carry out audits to ensure that the shipboard SMS is being implemented effectively onboard the ship as described in the Safety Management Manual referred to in **5.1.2** above.

**2** The Society is to notify the Company of the results of the Shipboard Audit in writing. When there are non-conformities for which corrective actions are to be taken by the ship, the Society is to, after reaching agreement with the ship, also notify the Company of the time limit by which such corrective actions are to be completed.

#### **5.1.5      Actions Regarding Non-conformities\***

When the Company is required by the Society during a Shipboard Audit to take appropriate corrective actions to remedy non-conformities with the requirements of the ISM Code, the Company and ship should take the indicated corrective actions as promptly as possible and undergo a Follow-up Audit to verify the results of the actions taken.

### **5.2      Audit for Issuing Interim SMC**

The Society is to carry out an Audit for Issuing an Interim SMC for the newly established SMS of a ship and issue an Interim SMC to the ship when all the following requirements **(1)** through **(6)** have been verified at the audit:

- (1) when the ship to be audited is in possession of a valid DOC, or Interim DOC, relevant to that ship;
- (2) when the SMS provided by the Company for the ship includes key elements of the ISM Code and has been assessed during the audit for issuance of the DOC or demonstrated for issuance of the Interim DOC;
- (3) when the Master and relevant senior officers are familiar with the SMS and the planned arrangements for its implementation;
- (4) when instructions which have been identified as essential to be provided prior to sailing have been given;
- (5) when the Company has plans to conduct an audit of the ship within a period of three months; and
- (6) when relevant information on the SMS is given in a working language or languages that can be understood by the personnel serving onboard the ship.

### 5.3 Periodical Audit of Ship

#### 5.3.1 Renewal Audit\*

At a Renewal Audit of a ship, the Society is to review all aspects of the SMS of the ship and verify that the SMS is effectively implemented in accordance with the requirements of the ISM Code including verification of modifications and corrective actions taken after the previous audit.

#### 5.3.2 Intermediate Audit\*

The Society is to carry out an Intermediate Audit of the ship in order to verify that the SMS is effectively implemented, including verification that the modification and corrective actions taken after the previous audit in compliance with the requirements of the ISM Code.

#### 5.3.3 Actions Regarding Non-conformities\*

When the Company is required by the Society during a Periodical Audit to take appropriate corrective actions to remedy non-conformities with the requirements of the ISM Code, the Company should take the indicated corrective actions without delay and undergo a Follow-up Audit to verify the results of the actions taken.

### 5.4 Additional Audit of Ship

#### 5.4.1 General\*

The Society is to carry out Additional Audits with respect to the matters described in 3.3.6 above in order to verify that the SMS is being effectively implemented in accordance with the requirements of the ISM Code.

#### 5.4.2 Actions Regarding Non-conformities\*

When the company is required by the Society during an Additional Audit to take appropriate corrective actions to remedy non-conformities with requirements of the ISM Code, the Company should take the indicated corrective actions without delay and undergo a Follow-up Audit to verify the results of the actions taken.

### 5.5 Ships Laid-up\*

- 1 Ships laid-up are not subject to Initial Audits specified in 5.1 and Periodical Audits specified in 5.5.
- 2 When the ships laid-up are about to be re-entering service, the following audits are to be carried out.
  - (1) The ships which have valid Interim SMC before lay-up
    - (a) In the case where the laid-up period is within 3 *months*, any audits are not required. However, in the case where Interim SMC has become invalid while the ship was laid-up, the Audit for Issuing an Interim SMC is to be carried out.
    - (b) In the case where the lay-up period is more than 3 *months*, the Audit for Issuing an Interim SMC is to be carried out.
  - (2) The ships which have valid SMC before they become laid-up
    - (a) In the case where the lay-up period is within 6 *months* and the due dates for Periodical Audits has not transpired while the ship was laid-up, in principal, any audits are not required and the kind of Periodical Audit and the due date shall be kept as assigned before.
    - (b) In the case where the lay-up period is within 6 *months* and the due date for Periodical Audit has transpired while the ship was laid-up, in principal, the Periodical Audit whose due date has transpired is to be carried out. However, in the case where that kind of Periodical Audit is Intermediate Audit, either Intermediate Audit or Renewal Audit shall be carried out. Then, in the case where the Intermediate Audit is carried out, next audit shall be Renewal Audit and the due date shall be kept as assigned before.
    - (c) In the case where the lay-up period is more than 6 *months*, in principal, the Audit for Issuing an Interim SMC is to be carried out.

## **Chapter 6 MISCELLANEOUS PROVISIONS**

### **6.1 Supply of Information**

The Company is to furnish the Society with complete and correct information deemed necessary by the Society for the maintenance of registry.

### **6.2 Maintaining Confidentiality**

The Society is responsible for not disclosing any confidential information obtained through an audit of the SMS carried out in accordance with the Rules to third parties without first securing prior written permission from the Company.

### **6.3 Appeals**

In cases when the Company has any complaints concerning the audit carried out by the auditor of the Society in accordance with the Rules, the Company may request, in writing, that the Society carry out a re-audit within 30 *days* from the day after completion of the audit.

# GUIDANCE FOR THE AUDIT AND REGISTRATION OF SAFETY MANAGEMENT SYSTEMS

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# GUIDANCE FOR THE AUDIT AND REGISTRATION OF SAFETY MANAGEMENT SYSTEMS

## Chapter 1      GENERAL PROVISIONS

### 1.1      General

#### 1.1.2      Equivalency

In **1.1.2 of the Rules**, the following SMSs are considered by the Society to be equivalent in its effects to one complying with the requirements of the Rules.

- (1) The SMS which has been examined by a Flag Administration and for which the Company and ships are in possession of certificates, as prescribed in the Rules, issued by the said Flag Administration
- (2) The SMS which has been examined by a member society of IACS and for which a DOC and/or a SMC has been issued by the said society, and which is intended to be newly registered to the Society without any change of the Company

In this case, the following procedures are to apply.

- (a) An additional audit in accordance with the Society's instructions is to be carried out with a satisfactory result. At the additional audit, at least all requirements of the ISM code, special requirements by the Flag Administration and any remarks arising out of the last audit conducted by the previous society are subject to the examination.
- (b) For a new registration, the initial audit is deemed to have been already carried out by the previous society, and the DOC and/or SMC issued by the previous society is deemed to have been issued by the Society.

#### 1.1.3      Definitions of Terms

**1** The SMS defined in **1.1.3(2) of the Rules** is to satisfy the following requirements **(1)** to **(3)**.

- (1) The SMS should include the management of ship operation, maintenance and manning.
- (2) When a part of the management of maintenance or manning of the ship is entrusted or sub-contracted by the company to some other persons or Companies, the entrusted or sub-contracted services are to be incorporated in the SMS.
- (3) When a ship is placed under the management either partially or wholly of a person or entity other than the company in possession of a DOC or Interim DOC conforming to the Rules, the ship will be deemed as not being subject to ISM registration.

**2** Date of completion of audit

- (1) The date of completion of each audit described in **3.2-1, 3.2-4 and 3.2-5 of the Rules** is the last day of the audit. Even when non-conformities are found during the audit, a certificate may be issued or endorsed if it is judged that the company is prepared to take appropriate corrective actions to remedy such non-conformities within the prescribed period.
- (2) The day of completion of each audit described in **3.2-2 and 3.2-3 of the Rules** is the day on which compliance with the provisions of **4.2 and 5.2 of the Rules** is verified.

**3** Date of ISM Registration

When a DOC or a SMC is issued for the SMS of the Company or ship on the day of completion of the Initial Audit described in **3.2-1 of the Rules**, the day of completion of such an Initial Audit may be regarded as the date of the ISM registration. However, where an audit is carried out for the Company or the ship for the purpose of issuing an Interim DOC or Interim SMC as described in **3.3.2 of the Rules**, the day of completion of each audit may be regarded as the date of the ISM registration.

## **Chapter 2 REGISTRATION OF SAFETY MANAGEMENT SYSTEMS**

### **2.1 Registration of Safety Management Systems**

**1** If a multiple number of offices are covered by the SMS of the Company being registered, all offices are to be indicated in the Safety Management System Register Book.

**2** The following items are to be noted regarding the Company in the Safety Management System Register Book (Company).

- (1) ISM company registration number
- (2) Name and address of the Company and each office
- (3) IMO company identification number
- (4) Types of the ships under management of the Company
- (5) Date of ISM registration

**3** The following items are to be noted regarding the ship in the Safety Management System Register Book (Ship).

- (1) ISM ship registration number
- (2) Name and type of the ship
- (3) Distinctive number(s) of the ship or signal letters
- (4) Port of registry
- (5) Gross tonnage
- (6) Date of the ISM registration
- (7) Name and address of the company
- (8) IMO company identification number
- (9) IMO ship identification number

### **2.3 Documents and Certificates**

#### **2.3.1 Issuance of DOCs and SMCs**

**1** The following items are to be stated on the DOC.

- (1) DOC Number
- (2) Name and address of the Company
- (3) IMO company identification number
- (4) Date and place of issuance of the DOC
- (5) Period of validity of the DOC
- (6) Completion date of the verification of the DOC
- (7) Type(s) of ship(s) under management of the Company

**2** The following items are to be stated on the SMC.

- (1) SMC Number
- (2) Name and type of the ship
- (3) Distinctive number(s) of the ship or signal letters
- (4) Port of registry of the ship
- (5) Gross tonnage of the ship
- (6) Name and address of the Company
- (7) IMO company identification number
- (8) Period of validity of the SMC
- (9) Completion date of the verification of the SMC
- (10) Date and place of issuance of the SMC
- (11) IMO ship identification number



### **2.3.3 Interim DOC and Interim SMC**

1 The items indicated on the Interim DOC or Interim SMC are to be in accordance with the procedures for completing documents and certificates set forth in **2.3.1**.

2 When issuing an Interim DOC or Interim SMC, the timing “considered appropriate” in **2.3.3-1 of the Rules** refers to when the requirements of **4.2** or **5.2 of the Rules** are satisfied.

### **2.3.4 Invalidation of Documents and Certificates**

“Any other classification society or issuing authority” stipulated in **2.3.4-2(5) of the Rules** means any IACS member society, any classification society approved by the Administration or the Administration itself.

## **2.4 Retention, Re-issuance, Revision, or Returning of Documents and Certificates**

### **2.4.3 Revising Entries on Documents and Certificates**

When the types of ships under the management of the Company decrease, as stipulated in **2.4.3-2 of the Rules**, the Society is to verify the reduction.

## **2.5 Termination of ISM Registration**

The Company or each ship which has had ISM registration withdrawn may apply for re-registration. The number of the DOC or SMC of the Company or ship to undergo re-registration is to be determined giving due consideration to the conditions under which the ISM registration had been withdrawn.

## **Chapter 3      AUDIT OF SAFETY MANAGEMENT SYSTEMS**

### **3.1      Conduct of Audits**

Audits are to be conducted as described below.

- 1**    Companies or ships wishing to undergo an audit of their SMS are to submit an application for an audit using the Application for Company/Shipboard Audit of SMS.
- 2**    The Society is to determine the date of the Initial Audit, Audit for Issuing Interim DOC or Interim SMC, Periodical Audit, or Additional Audit, and notify the Company of the schedule accordingly.

### **3.3      Conduct of Audits and Timing**

#### **3.3.6      Additional Audit**

- 1**    When an Additional Audit is carried out in order to change the Interim DOC into a DOC as specified in **3.3.6(2) of the Rules** with respect to an increase in the type(s) of ships under management of the Company, the audit is to take the form specified in the requirements of **4.1 of the Rules**. A DOC indicating the additional ship type under management is to be issued upon completion of the audit. However, the period of validity of the DOC is to be the same as that of the old DOC.
- 2**    The cases “when the Society deems such an audit to be necessary” as stipulated in **3.3.6(3) of the Rules** are those cases when the Society finds any evidence of major non-conformities or the like.

## Chapter 4      AUDIT OF COMPANY SMS

### 4.1      Initial Audit of Company

#### 4.1.1      General

Verifying that the Company SMS is implemented in an effective manner refers to items (1) and (2) listed below. In addition, evidence of the effective implementation of the SMS is also to include an internal audit by the Company.

- (1) The Company SMS has been in operation for at least three months.
- (2) At least one ship of each type operated by the Company has been in operation under the SMS for at least three months.

#### 4.1.2      Documents to be Submitted

1 The outline of the Company described in **4.1.2-1(3) of the Rules** is to contain a description of such items as the organization, location of all offices, and number of employees (shore-based persons and seafarers) of the Company, along with a description of the types, flag state(s), and number of ships under management of the Company. Brief descriptions of the business activities of the Company may include, at a minimum, a summary of the principal cargoes and trade routes of the ships under its control and may be presented in the outline of the Company.

2 Additional explanatory documents and materials regarding the SMS are to describe the relationship among the company, the ships and the crew members in the SMS. It should also include such items as outlines of chartering and management contracts, etc.

#### 4.1.3      Document Review

1 The Society is to notify the Company of the results of the document review of the SMS through a Report of Document Review.

2 When the Society decides to make a preliminary visit of the Company, consultations are to be held with the Company regarding the date of such visit and the items to be audited. The following items should be verified during the preliminary visit.

- (1) The contents of the application
- (2) The principal items described in the Safety Management Manual
- (3) The schedule of the Company Audit

#### 4.1.4      Execution of Company Audit

1 The schedule of the Company Audit should be discussed with the Company beforehand. The Company is to be notified of the Audit Plan using an Audit Program for Safety Management Systems no later than seven days prior to the scheduled visit to the Company.

2 A Company Audit is to be carried out on all the sections of the organization related to the SMS described in the Safety Management Manual. In cases where there are several sections performing the same activities, the sections to be visited are to be determined in accordance with **Table 1**.

3 Any sections not audited during the Initial Audit or Renewal Audit are to be audited in turn during subsequent Annual Audits such that all sections have been audited (covered) by the next Renewal Audit.

4 The auditor(s) is to notify the Company of the results of the audit upon completion of the audit.

5 The Company is to be notified of the results of the Company Audit within 14 *days* after the completion of the audit using an Audit Report of Safety Management Systems.

#### 4.1.5      Actions Regarding Non-conformities

At the Follow-up Audit specified in **4.1.5 of the Rules**, the following procedures are to apply in order to verify the effectiveness of the corrective actions taken to remedy non-conformities.

- (1) The Company is to submit a plan concerned with the corrective actions to the Society without delay.
- (2) The Society is to review the plan and notify the Company of the result. Where the corrective actions described in the plan are deemed not satisfactory, the Company is to submit a revised plan.

- (3) Where the corrective actions described in the plan are deemed satisfactory, the following verification procedure is to be taken.
- (a) For a major Non-conformity  
An additional audit is to be carried out in order to verify the effectiveness of the corrective actions not later than 3 months after the completion date of the last audit.
  - (b) For a Non-conformity  
The effectiveness of the corrective actions is to be verified at the next periodical audit.

Table 1 Number of Sections to be Audited when more than One Section Performs the Same Function

Number of sections performing the same activities	Number of sections to be audited
2 ~ 3	2
4 ~ 6	3
7 or more	To be determined in consultation with the applicant on a case by case basis

### 4.3 Periodical Audit of Company

#### 4.3.1 Renewal Audit

- 1 In principle, a Document Review is not to be carried out at a Renewal Audit of the Company.
- 2 The schedule and plan for the Renewal Audit should be discussed with the Company in advance and notified to the Company using an Audit Program for Safety Management Systems no later than seven days prior to the visit to the Company.

#### 4.3.2 Annual Audit

- 1 At the Annual Audit of the Company, the Society is to verify the validity of the statutory and classification certificates of at least one ship of each type registered under the ISM Code.
- 2 The auditor of the Society is to endorse the DOC upon completion of the Annual Audit of the Company.

#### 4.3.3 Actions Regarding Non-conformities

Non-conformities observed during a Periodical Audit of the Company SMS are to be handled in accordance with 4.1.5.

### 4.4 Additional Audit of Company

#### 4.4.1 General

The Company is to submit an explanatory note describing the reasons for the application for an Additional Audit together with the application.

#### 4.4.2 Actions Regarding Non-conformities

Non-conformities observed during an Additional Audit of the Company SMS are to be handled in accordance with 4.1.5.

## Chapter 5      AUDIT OF SHIPBOARD SMS

### 5.1      Initial Audit of Ship

#### 5.1.1      General

Verifying that the shipboard SMS is implemented effectively means ensuring that the SMS has been in operation onboard the ship for at least three months. Objective evidence that the SMS is being effectively implemented is to include the completion of an Internal Audit by the Company.

#### 5.1.2      Documents to be Submitted

1    The documents described in items **5.1.2-1** (with the exception of item **5.1.2-1(1)**) and **5.1.2-2 of the Rules** need not be submitted for ships for which the Shipboard Document Review has been waived in accordance with **5.1.3**.

2    Reference materials regarding the SMS mean those materials that indicate the linkage of the SMS with the Company, which is in possession of the DOC or Interim DOC relevant to the ship to be audited.

#### 5.1.3      Document Review

The Society may, in principle, waive the requirement for a Shipboard Document Review of the ship under management of a Company in possession of the DOC or Interim DOC issued by the Society or by a member society of IACS.

#### 5.1.4      Execution of Shipboard Audit

1    The place and date of a Shipboard Audit should be determined in consultation with the company.

2    A Shipboard Audit shall be carried out with responsible staff appointed by the Company in attendance.

3    The auditor(s) is to notify the results of the audit to the Master and the responsible staff appointed by the Company upon completion of an audit.

#### 5.1.5      Actions Regarding Non-conformities

Non-conformities observed during a Shipboard Audit are to be handled in accordance with **4.1.5**.

### 5.3      Periodical Audit of Ship

#### 5.3.1      Renewal Audit

All items described in **5.1.4** are applicable at a Renewal Audit of the ship. In addition, the results of the internal audit carried out by the Company are to be verified.

#### 5.3.2      Intermediate Audit

1    All items described in **5.1.4** are applicable at an Intermediate Audit of the ship. In addition, the results of the internal audit carried out by the Company are to be verified.

2    The auditor of the Society is to endorse the SMC upon completion of the Intermediate Audit of the shipboard SMS.

#### 5.3.3      Actions Regarding Non-conformities

Non-conformities observed during a Periodical Audit of the shipboard SMS are to be handled in accordance with **5.1.5**.

### 5.4      Additional Audit of Ship

#### 5.4.1      General

The Company is to submit an explanatory note describing the reasons for the application for an Additional Audit together with the application.

#### **5.4.2 Actions Regarding Non-conformities**

Non-conformities observed during an Additional Audit of the shipboard SMS are to be handled in accordance with 5.1.5.

#### **5.5 Ships Laid-up**

For the commencement of lay-up, the ship owner is required to submit the Application for the Ship Laid-up to the nearest Society's local office. However, the document has been submitted under the provisions of **B1.1.8, Guidance for the Survey and Construction of Steel Ships** or **3.6, Guidance for the Audit and Registration of Ship Security Management Systems**, this requirement may be omitted.