

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

MARINE CIRCULAR 12-007 PROCEDURES FOR APPROVAL OF SECURITY COMPANIES ONBOARD PALAU VESSELS

To: ALL SHIPOWNERS, MANAGERS, OPERATORS AND MASTERS

Subject: Procedures for Approval of Security Companies on board Palau Vessels

1. Background

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

2. Objective

2.1 The Republic of Palau taking into consideration the actual situation in the High Risk Areas has developed procedures for the certification of PMSC on board the Palau Flag. All PMSC shall comply with this procedure in order to obtain certification from Palau International Ship Registry and be contracted as security personnel on Palau registered vessels.

2.2 This Circular provides PMSC with the requirements, conditions and procedures for their certification by Palau International Ship Registry.

3. Definitions

“High Risk Areas (HRA)”: areas of the ocean where acts of terrorism, piracy or armed robbery have taken place. An area defined as High Risk may change periodically or over time due to changes in weather, tactics and areas of operation of the perpetrators. Therefore, it is imperative that owners, operators and Masters assess areas of risk based on the latest available information from the Maritime Security Centre Horn of Africa (MSCHOA), the

NATO Shipping Centre (NSC) and the International Maritime Bureau (IMB). Vessels also must be prepared to alter course at short notice to avoid pirate activity when information is provided by NAV Warnings and/or naval/military forces.

Private maritime security companies (PMSC): Private contractors employed to provide security personnel, both armed and unarmed, on board for protection against piracy.

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

4. Criteria for the Certification of PMSC

4.1 All PMSC companies seeking certification from the Palau Flag should submit to Palau International Ship Registry the following information:

- 4.1.1 Certificate of Registration of the Company and Company structure and ownership,
- 4.1.2 Company financial position statement (bank references, annual financial statement, etc)
- 4.1.3 CV of senior management group clearly indicating experience,
- 4.1.4 Quality Management Indicators preferably ISO accreditation certificate.
- 4.1.5 Additional Certification from other Flag States if available.

5. PMSC Background Information

5.1 PMSC should provide detail information with documentary evidence on the following:

- 5.1.1 Specific Maritime Experience
- 5.1.2 Company procedures on Management including Team Leading Skills, Chain of authority, Change in Command and responsibilities in life saving;
- 5.1.3 Statement by the Company of the understanding of the Palau Flag requirement with respect to the Carriage and Usage of Firearms following Circular 12-003 as well as those of the Port State and Coastal State where the vessel will be trading;
- 5.1.4 Written testimonials and references from previous clients in the maritime industry and such testimonials and references;

- 5.1.5 Documentary evidence that firearms are procured, transported, embarked and disembarked legally;
 - 5.1.6 Statement confirming the understanding of the Somalia-based piracy threat including the military operations in the area, and the means to maintain current knowledge;
 - 5.1.7 Statement confirming understanding of Best Management Practices (BMP) and, in particular, ship protection measures;
 - 5.1.8 Statement of access to legal advice (e.g. in-house counsel / external legal advisers) on a 24/7 basis.
- 5.2 Confirming to all of the above requirements, the following should also be submitted to Palau International Ship Registry
- 5.2.1 Documentary evidence of Criminal Background Checks to the hired personnel providing the security onboard the vessels;
 - 5.2.2 Documentary evidence of the Employment History of the hired personnel providing the security onboard the vessels;
 - 5.2.3 Documentary Evidence of Military and Law Enforcement Checks when applicable;
 - 5.2.4 Records of medical, physical, and mental fitness of personnel (including drug and alcohol testing);
 - 5.2.5 Verifiable system in place to ensure continued suitability for employment of their personnel;
 - 5.2.6 Documentary evidence of relevant experience and certification in the use and carriage of firearms to be deployed; and;
 - 5.2.7 Systems for provision of security identity documentation, travel documents and visas.

6. Training of PCASP

- 6.1 PMSC shall provide detailed information regarding the training of the PCASP personnel placed on board vessels and therefore it should be submitted to the Palau International Ship Registry including:
 - 6.1.1 Comprehensive and detailed records of training, both initial and refresher training, available for inspection;
 - 6.1.2 Documentary evidence that the personnel is trained and qualified to the documented company standards in the appropriate use of force following the IMO guidelines recognized by Palau International Ship Registry.
 - 6.1.3 Documentary evidence that the personnel is trained to operate the specific firearms and other security equipment that will be used on the vessels on which they will be deployed;
 - 6.1.4 Documentary evidence that the personnel has been given appropriate training and/or briefing with specific reference to the vessel type, where that vessel will be trading, and the provisions of the International Ship and Port Facility Security (ISPS) Code, International Safety Management (ISM) Code and the BMP;
 - 6.1.5 Documentary evidence that the personnel has received medical training to a recognized international standard and
 - 6.1.6 An understanding of post incident procedures as provided by Palau International Ship Registry in Marine Notice 12-025.

7. PMSC Insurance Coverage

- 7.1 PMSC should provide evidence that they hold and will maintain for the duration of the contract:
 - 7.1.1 Public and employers liability insurance cover to an appropriate level and as required by the shipowner; and
 - 7.1.2 Personal accident, medical expenses, hospitalization and repatriation insurance.

7.2 The PMSC should provide evidence of insurance for personnel to carry and use firearms on the high seas and territorial sea(s), for accident, injury and damage arising from the use of firearms and liability for any claim that might arise from the carriage and the use of firearms.

8 Management of Firearms and Ammunition from Embarkation to Disembarkation

8.1 An essential requirement of the PCASP team will be to demonstrate responsible management and use of weapons and ammunition at all times when on board. Issues to be considered should include:

8.1.1 Documented compliance with the relevant flag, coastal and port State legislation and relationships governing the transport and provision of firearms, ammunition and security equipment to the point of embarkation and disembarkation or ports/places at which the vessel may call as part of its intended voyage whilst the PCASP team is on board. PCASP should be able to prove that actual inventory carried matches all documented declarations;

8.1.2 Confirmation of appropriate containers for firearms, ammunition and security equipment at the point of transfer to the ship;

8.1.3 Documented standards and procedures for a complete inventory of all firearms, ammunition and security equipment available upon arrival aboard the vessel (inventory should detail make, model, calibre, serial number and company end user certificate and proof of purchase of all firearms and accessories; and details of ammunition and amount);

8.1.4 Control procedures for separate and secure onboard stowage and deployment of firearms, ammunition and security equipment;

8.1.5 Areas where firearms may or may not be carried, together with the weapon state (e.g. unloaded & magazine off, magazine on and safety catch on and no round chambered) and what will initiate a change in that state should be confirmed;

8.1.6 Detailed and exercised orders for when firearms can be loaded and "made ready" for use should be confirmed, trained and documented during certain periods as listed in

the PCASP contract, to ensure the highest of safety and operational capabilities for use of firearms aboard the vessel; and

- 8.1.7 Documentary evidence within the procedures that the inventory should be reconciled on disembarkation of all firearms and ammunition from the vessel

9 Pre Approval

- 9.1 Upon the receipt of the information detailed above which should be considered the minimum requirements for Pre approval, Palau International Ship Registry will review the information and contact the PMSC directly for any questions arise during the review.
- 9.2 Palau International Ship Registry may request an audit to the company to be carried out in the PMSC Head Office. Such audit will be done to verify the information submitted.
- 9.3 Upon the pre approval of PISR of the private security company, such private security company will then qualify to seek further approval of individuals to carry arms on board and to render its service to Palau Registered Vessels as security company.
- 9.4 Provided the Pre Approval , Individuals hired or contracted by the PMSC will be authorized to go onboard Palau registered vessels as security personnel authorized to carry fire arms, provided that the Master, Shipowner and PMSC have all agreed and review the requirement guidelines provided by the IMO and the Palau Government for the use of such PMSC.
- 9.5 Vessels registered with the Palau Flag will present application to the Palau International Ship Registry for the placement of security personnel onboard. Palau International Ship Registry will review the Company or Agency providing the security personnel as well as the trading area in order to issue Letter of Authorization for the Placement of Security Personnel onboard Palau Registered Vessel.

10 Additional Information

- 10.1 For additional information of the Republic of Palau procedures and requirements for the certification of PMSC, the Technical Department at Palau International Ship Registry should be contacted

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