

SEVENTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

HOUSE BILL NO. 1029

HOUSE OF REPRESENTATIVES
RECEIVED
DATE: <u>04 JUL 2016</u>
TIME: <u>6:51 pm</u>
BY: <u>[Signature]</u>
REGISTRATION UNIT BILLS AND INDEX SERVICE

=====
Introduced by ANGKLA Party-list Representative JESULITO A. MANALO
=====

AN ACT ESTABLISHING THE SCOPE AND PROCEDURE FOR PHILIPPINE SHIP REGISTRY, RECOGNITION AND ENFORCEMENT OF MARITIME CLAIMS, AND LIMITATION OF LIABILITY, AS WELL AS PROVIDING ESSENTIAL INCENTIVES, WHICH COLLECTIVELY WILL PROMOTE A COMPREHENSIVE AND ORDERLY PHILIPPINE SHIP REGISTRY SYSTEM FOR THE REGULATION OF VESSELS CARRYING THE FLAG STATE.

EXPLANATORY NOTE

While we have always taken pride that the Philippines is widely known to be a major supplier of global maritime professionals on board vessels in the many parts of the world, records will show however that we only have about 200 vessels registered under the Philippine flag.

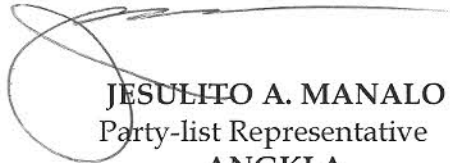
Other countries have attracted many foreign owned vessels to register under their flag states by reason of their simplified system of registration and the appealing incentives they offer.

Thus, this bill aims to help our country become more competitive and allow us to encourage more ship owners in other parts of the world to register their vessels under our flag state. In order to achieve this, we first must recognize that presently, there is a lack of a particular law completely addressing the registry system in the Philippines, which has been a perennial source of confusion and disorder. Clearly, there is a necessity to formulate policies and rules that adhere to the global standards and maritime conventions, particularly on ship registry.

Primarily, this bill will provide a legal framework for the rules on ship registry and the enforcement of maritime claims and limitations of liability. Once the system is organized, ample protection will be extended equally to ship owners carrying the Philippine flag and all other parties who have a legitimate claim against them. At the outset, this will benefit all our present domestic ship owners who are already registered under the Philippine registry.

Second and equally important, this bill endeavors to provide incentives to all vessels duly registered under the Philippine registry. Surely, a simple yet all-encompassing law compliant with the international standard, defining with specificity the appropriate system on registration, and providing for better incentives will encourage more Filipino ship owners to do wide business trading and shipping in the country flying the Philippine flag. Ultimately, our country will likewise attract more foreign ship owners to register their vessels under Philippines flag state. This will in turn boost more the economy of our country.

The enactment of a law is merely a beginning towards achieving a dream for our country to be among the globally competitive ship registry of choice in the world and be a real maritime power.



JESULITO A. MANALO
Party-list Representative
ANGKLA

SEVENTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)

First Regular Session)

HOUSE OF REPRESENTATIVES

House Bill No. 1029

=====
Introduced by ANGKLA Party-list Representative JESULITO A. MANALO
=====

AN ACT ESTABLISHING THE SCOPE AND PROCEDURE FOR PHILIPPINE SHIP REGISTRY, RECOGNITION AND ENFORCEMENT OF MARITIME CLAIMS, AND LIMITATION OF LIABILITY, AS WELL AS PROVIDING ESSENTIAL INCENTIVES, WHICH COLLECTIVELY WILL PROMOTE A COMPREHENSIVE AND ORDERLY PHILIPPINE SHIP REGISTRY SYSTEM FOR THE REGULATION OF VESSELS CARRYING THE FLAG STATE.

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled,

Title I
General Provisions

Chapter 1
Policies

Section 1. *Short Title.* - This Act shall be known as the "*Philippine Ship Registry System Act*".

Section 2. *Declaration of Policy.* - It is the policy of the State:

- a. To ensure that Filipino owned and manned maritime fleets or vessels are strengthened and assisted to meet the minimum global standards for reliability, safety, competitiveness, and effectiveness;
- b. To provide protection to our merchant marine fleets, and help expand Philippine international trade;

- c. To encourage Philippine vessel acquisition, development, modernization and expansion through systemized and sustainable programs;
- d. To implement policies that will attract more ship owners to register under Philippine flag, thus ensuring the country's economic growth.

Section 3. *Implementing Agency.* - This Act shall be implemented by the Maritime Industry Authority or MARINA, through a specific section or department within its office that shall be created solely for the purpose of implementing the provisions of this Act.

Chapter 2 Definitions

Section 4. *Definition of Terms.* - For the purpose of this Act,

- a. "Arrest" shall mean the attachment of a vessel by judicial process through an order of a competent court in order to secure the enforcement of a maritime claim, which attachment shall produce the effect of detaining or restricting the removal of a ship in execution or satisfaction of a judgment;
- b. "Bareboat charter" shall mean a contract for the lease of a ship, for a stipulated period of time, by virtue of which the bareboat charterer has complete possession and control of the ship, including the right to appoint the master and crew of the ship, for the duration of the lease;
- c. "Bareboat charterer" or "charterer" may be used interchangeably and shall refer to any person, commercial partnership or corporation which bareboat charters a Philippine flag vessel from another Philippine national, or a vessel of foreign registered in a compatible registry, for its own use;
- d. "Certificate of Philippine Registration" shall mean the document of registration of a vessel registered in accordance with Section 20 of this Act;
- e. "Claimant" shall mean a person who asserts that a maritime claim exists in his favor;
- f. "Court" or "Philippine court" or "competent court" may be used interchangeably and shall refer to a court of appropriate jurisdiction within the territory of the Philippines;

g. "De-registration" shall refer to the act of deleting a ship from the Registry of Ships of the Philippines and the cancellation of the Certificate of Philippine registry in accordance with Title II, Chapter 5 of this Act;

h. "Foreign flag vessel" shall refer to a ship which is registered under the laws of a country other than the Philippines and which is authorized to fly the flag of that country;

i. "Foreign registry" shall mean the registry of ships of a country other than the Philippines;

j. "Maritime claim" shall refer to any of the claims provided in section 88 of this Act;

k. "Maritime Industry Authority" or "MARINA" shall refer to the government agency created in accordance with Presidential Decree No. 474, as amended;

l. "Maritime lien" shall refer to a charge that attaches to a ship which rises from a maritime claim against the ship, its owners, charterers, managers, or operators that results in a demand for indemnity or remuneration from the ship or its owners, charterers, managers or operators and is enforceable by judicial action;

m. "Mortgagee" shall refer to the person, whether natural or juridical, in whose favor a ship mortgage is created in order to secure a principal obligation;

n. "Mortgagor" shall refer to a ship owner who constitutes a ship mortgage over a vessel or a vessel under construction registered in its name in order to secure the fulfillment of a principal obligation;

o. "Philippine Flag Vessel" shall mean any vessel duly registered under Philippine Laws and authorized to fly the Philippine flag;

p. "Philippine national" shall refer to any individual who is a citizen of the Philippines, or a commercial partnership or corporation organized under the laws of the Philippines, at least 60% of the capital of which is owned by citizens of the Philippines;

q. "Registration" shall refer to the act of entering a ship in the Registry of Ships of the Philippines in accordance with Title II, Chapter 1 of this Act;

