



Taking Panama into the future

Naval architect Noriel Arauz discusses the challenge of leading the technological transformation of the world's oldest and largest ship registry

The digital age is causing a deep transformation in society. Organisations are compelled to enter a process of change that drives them into resetting their productive processes and the functional areas on which they are developing. The digital world has multiplied exponentially across everyday life and interconnection is the basis of the whole process. The maritime sector and especially the ship registry are no strangers to this new reality: the registries must confront the difficult decisions involved in order to adapt or risk disappearing.

These are the main reasons that leading naval architect, Noriel Arauz, accepted the challenge of leading the technological transformation of the Panama Maritime Authority (AMP), as administrator of its Ship Registry and Minister for Panama's Maritime Affairs.

With more than 100 years leading the business and more than 8,000 registered ships, Panama has been a frontrunner in ship flagging services since the early 1900's. Panama offers many assets to the world maritime industry, but for Arauz, these are summed up on a single phrase: the back up of an entire country supporting our shipowners and seafarers.

Constant vigilance

Operating under the auspices of the Panamanian government, which makes it an organisation with all the diplomatic, politic and economic tools required to guarantee clients that their ships and ship mortgages are protected at all times. It has been so through the years, regardless of conflicts, wars, economic crisis, pandemics and other kinds of events. Panama has neither suspended its maritime services, nor abandoned its seafarers or its ships at any time.

These are the keys to the sustainability of the flagging business in Panama. Nevertheless, technology requires us to rethink our strategies, policies and routine methods. Consequently, the



registry continues to focus on new products, commercial opportunities, processes, financial strategies and, above all else, on being closer to its clients.

Team effort

The complexity of technological transformation relies fundamentally on the people and the organizational culture, since the challenge of transformation is of very little worth if the professionals –the main characters of this scenario – are not prepared or willing to get the work done.

Therefore, Arauz considers that the keystone of success of this great project is teamwork. That means a strong emphasis on continuous training, identifying and enhancing the expertise of the AMP staff, and applying a collaborative training plan based on new technology, which is attractive, interactive and easy to use. All these factors are part of the strategies under development as a means to building a team, that under good leadership, aims to innovate and transform the registry's way of doing business.

Looking ahead

The maritime industry has hundreds of

years of experience and its solid foundations should help it to forward for many years to come. Nevertheless, Arauz thinks the industry needs to get behind new policies to ensure its livelihood, particularly with regard to environmental protection; the pursuit of more efficient machinery and technologies; and the safety and preservation of life at sea.

To realise these goals at a time of uncertainty, not to mention intense competition, and persuade others of the need to accept a new way of doing things, requires techniques and attitudes that Arauz has developed across more the 20 years in the industry. During that time he has had the opportunity to collaborate in most of the segments of the maritime business.

He believes that his experience and vision for the future of maritime, along with solid support and collaboration, can take AMP forward as a pioneer and role model for other flag registries across the world. NA

Source: Report from the publication The Naval Architect



The Maritime Industry praises Panama for its progress on Compliance issues

The International Chamber of Shipping (ICS), published its Maritime Industry Flag State Performance Table 2020 / 2021 that reviews Port State issues, ratified conventions, recognized organizations, fleet age, maritime reports and meetings, as well as audits of the International Maritime Organization (IMO). With this document, the ICS seeks to guide its associates on compliance with flag administrations and invites them to be selective and observe compliance with them and their ship registries.

Panama as a flag state, was evaluated by the guild, as a Registry that complies with 100% of the segments reviewed in its category.

“The purpose of the ICS Table is to encourage ship operators to examine whether a flag state has substance before using it and to put pressure on their current flag administrations if improvements might be needed, for example with regard to port state control records of ships under their flag, failure to ratify key IMO Conventions or regular

attendance at IMO meetings,” said ICS Secretary General, Guy Platten.

The 100% mark represents more than five years of efforts by the Panamanian Registry, focused on improving the performance of ships flying its flag and through concrete actions by the Panama Maritime Authority (AMP)’s Directorate General of Merchant Marine.

In addition, Panama has been on the White List of the Paris Memorandum of Understanding for more than 10 years, with a compliance rate of 94.95%. With respect to the Tokyo Memorandum of Understanding, the Panamanian Registry has a compliance rate of 97.43%, maintaining its place on the White List.

In relation to the USCG, the Panamanian flag is below the regional annual detention rate for the third consecutive year, achieving 98.89% compliance.

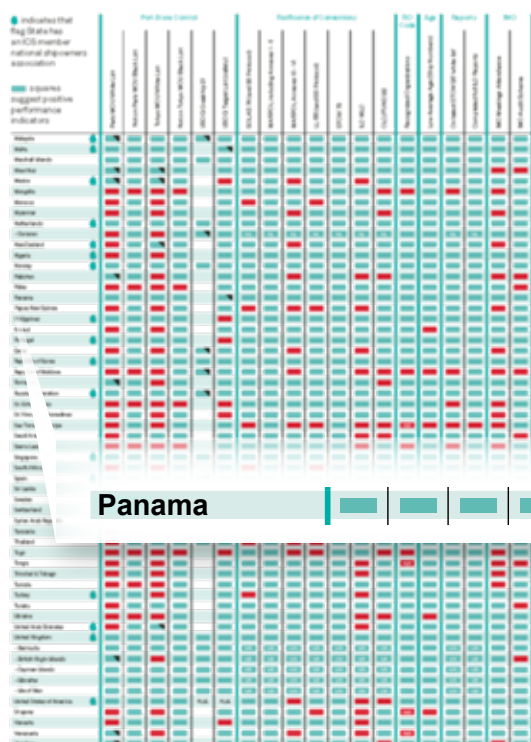
With the aforementioned and other Memoranda of Understanding to which

the country is a member, Panama has an overall compliance rate of 96.99%, according to Panama Maritime Authority (AMP)’s data, improving its average from previous years.

The year 2020 was a test for many sectors, however, the AMP with the support of its human capital and in close collaboration with authorities, shipowners, operators, Recognized Organizations, among others, provided solutions to its users in compliance with international regulations.

Panama, committed to the fair treatment of seafarers by recognizing them as industry “key workers”, actively participated in expediting the exchange of crew members and their repatriation and complied with all the established sanitary protocols.

The AMP reaffirms its commitment to ensure the proper performance of its fleet, complying with national and international standards on safety of life at sea, navigation, maritime security and pollution prevention.



2020/2021 Flag State performance table published by International Chamber of Shipping

 Squares suggest positive performance indicators

Source: ICS Shipping Industry Flag State Performance Table 2020-2021

Merchant Marine Circular

Recently updated

Number	Title	Attachment	Updated
183	Continuous Synopsis Record (CSR) Online Application.	MMC-183	January 2021
206	Recognition of Company Security Officers (CSO).	MMC-206	January 2021
230	High Risk Areas (HRA) and precautionary zones.	MMC-230	January 2021
243	Authorization for Private Maritime Security Companies (PMSC).		January 2021
255	Maritime Labour Convention, 2006 (MLC, 2006) - Authorized Recognized Organizations.	MMC-255	January 2021
258	Approved service providers for lifeboats, launching appliances and on-load release gear.	MMC-258	January 2021
267	Notification of Resolution No. 106-146-DGMM.	MMC-267	January 2021
346	Amendments to the Ship Security Plans (SSP) for Recognized Security Organization (RSO) duly cancelled.	MMC-346	January 2021
374	Companies Representing the Flag State Inspectors.	MMC-374	January 2021
377	Bareboat Charter insert in the Continuous Synopsis Record (CSR)	MMC-377	January 2021

<https://panamashipregistry.com/circulars/>



Merchant Marine Notice

Number	Title	Attachment	Release
MMN-01/2021	Persian Gulf -Strait of Hormuz- Gulf of Oman.	MMN-01	January 2021
MMN-02/2021	Gulf of Guinea.	MMN-02	January 2021
MMN-03/2021	SEGUMAR Hong Kong Office	MMN-03	January 2021
MMN-04/2021	Designation of the Saba Bank as a particularly sensitive sea area	MMN-04	January 2021

<https://panamashipregistry.com/marine-category/marine-notice/>





Segumar, Innovation and Digitalization

Continuing with the objectives set at the beginning of this Administration, the Directorate General of Merchant Marine, through the Department of Segumar, continues with innovation and digitalization which have been fundamental in the improvement of the operation of the Panama Ship Registry.

With its 14 international technical offices, the recently-opened office in Hong Kong and its main offices in Panama, the areas responsible for providing support and technical advice to users of the Registry, and the issuance of technical certifications important in the day-to-day life of the vessels.

The modernization plan is underway and the innovation and digitalization of all services is the ultimate goal; "we hope to provide our users with the best service, we understand the needs of the market and we understand that we have to be fast and efficient in our daily operations," says Engineer Rina Berrocal, in charge of this important area of the Registry.

The creation of the module for the issuance of the Harmful Materials Listing (HML) Declaration of Compliance in electronic format -available on the "E-Segumar Application" platform within the "Applications Forms" section- allows the user to complete their data and process their documentation securely and quickly, since September 1, 2020.

The modules for issuing authorizations electronically were created and their new functionality of digital controls were incorporated, with the premise of optimizing the tasks inherent to the Segumar department. In the first month of the module, more than 1,300 authorizations were processed. Cost Efficient!

These actions represent significant improvements in terms of the department's functions. The unification of formats and the use of QR codes allow interested parties to immediately check the validity of documents issued electronically by the Panama Ship Registry, trying to keep in mind the



commitments to protect the environment by paperless work and providing electronic security to the documents.

The Panama Ship Registry maintains insightful and consultation planning with the industry, and continues with reengineering, innovation and continuous improvements of all services oriented to the customers' satisfaction.

Another Carnival Cruise vessel will fly the Panama flag



The Panamanian Registry congratulates Carnival Cruise, for the announcement of its next ship Celebration Carnival to be delivered in November 2022 when the cruise line celebrates its 50th anniversary.

This cruise vessel, like her sister ship Mardi Gras, will fly the flag of Panama as does most of Carnival's fleet, maintaining the tradition between the two organizations. Carnival Line keeps the Panamanian flag flying on 19 other vessels, representing 2.1M GT.

The Panama Ship Registry will remain focused on providing a first-class service to its clients and supporting their projects, through a committed team, technology and guarantee.



The AMP's Ship Registry Shows best Results since 2011



1,033 Vessels registered in 2020

29,7 Million GRT

The Panama Maritime Authority's Ship Registry has reached a total of 230,577,081 GT with 8,516 vessels, a growth of 6.22% compared to 217,083,822 GT at December 2019, according to IHS MARKIT.

It is also the first time that the Panamanian Registry has passed the 230M GT mark and the best growth (6.22%) since the end of 2011.

Between January and December 2020, Panama has added 1,033 vessels to its

fleet and 29.7M GT, according to Panama Maritime Authority reports. Of this group, the 339 newly built vessels flying the national flag stand out, totaling 14.3M GRT. These figures are the best for the Panamanian Registry since 2011.

According to Clarkson Research Services Ltd., in terms of gross tonnage, the Panamanian flag flies over 16% of the world's maritime fleet. These results demonstrate that the legal security offered by the Registry - being backed by a nation -, the 24/7 attention, the level of

professionalism and the effort of the human resources have been a fundamental part of the Registry's growth.

For its part, in the full year 2020, the General Directorate of the Public Registry of Ships carried out the preliminary and final registration of 1742 titles of ownership and 1425 naval mortgages.

The Directorate General of Merchant Marine's Quality Management System completes Lloyd's Register Audit

The Panama Maritime Authority's Directorate General of Merchant Marine completed the audit program of its Quality Management System by Lloyd's Register for the renewal of the ISO 9001:2015 certification.

On-site audits were conducted in January at the international offices of Segumar Tokyo, Seoul and Piraeus, while the audit of the Permanent Mission of Panama at the International Maritime Organization (IMO) in London was conducted remotely, due to the confinement measures established in this city.

As for the headquarters of the Directorate General of the Merchant Marine in Panama, the audit was conducted remotely over four days by Mr. Ricardo López Anadon, lead auditor of Lloyd's Register that certifies this Directorate. Edilberto Peralta, lead auditor of Lloyd's Register, was in charge of auditing two

Merchant Marine inspectorates in the Port of Vacamonte and the Port of Balboa, in Panama.

All the effort and coordination from the management and the Quality Management Area, have allowed to achieve results in accordance with ISO standards and national and international regulations, in the mentioned audits, always considering the opportunities for continuous improvement in the quality management system.

It was an innovation to attend this audit remotely. The lead auditor pointed out the use of platforms such as SEGUMAR's e-certificate and the platform of the Port State Section, as effective technological tools in the technical certification processes and in the control and supervision process for Panama's merchant fleet, in addition to the flagging process, where it was possible to

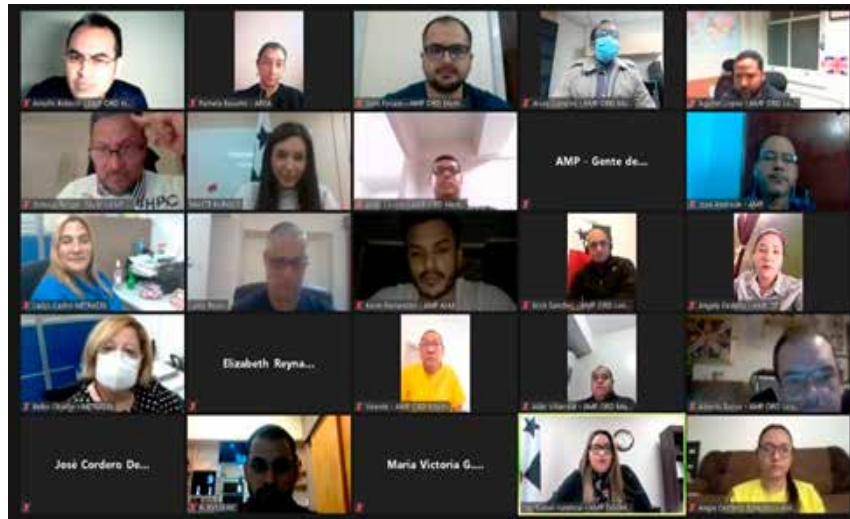


demonstrate how customers can apply for a flag and obtain their navigation patent and digital radio license.

Undoubtedly, the use of communication tools, -additional to connectivity and the implementation of all digitalization platforms, which is not only available to customers but also for the operation, control, monitoring and evaluation- demonstrates the management's ability for meeting the needs and expectations, reducing costs and time, translating into generating value to customers of the Panamanian Ship Registry, led by the Panama Maritime Authority.



The AMP has recovered more than \$2M in wages owed to seafarers



Thanks to the mediation of the Panama Maritime Authority (AMP), through the Directorate General of Seafarers (DGGM), more than \$2M (\$2,021,691.29) could be recovered in wages owed to seafarers by shipowners. At the end of 2020, the AMP has also made 539 repatriations in Panama-flagged vessels, in various parts of the world.

It was the result of processing 427 labor complaints filed by seafarers received at the Department of Maritime Labor Affairs of the DGGM. This hard work proves once again our commitment to comply with international conventions and national regulations governing the work of seafarers aboard Panama-flagged vessels.

It was done through the application of the group of standards that regulate living and working conditions on board Panama-flagged vessels guaranteeing decent work, such as the Maritime Labor Convention, 2006 as amended, ratified by the Republic of Panama in 2009; its regulation in Panama through Executive Decree No. 86 of 2013 and Decree Law No. 8 of 1998.

In order to safeguard the faithful compliance with labor standards, special attention was given to teaching and educating on the maritime labor regulations in force and applicable, so the Familiarization Course on Maritime Labor Convention, 2006, as amended (MLC, 2006) and its applicability on board Panama-flagged vessels, leading to training of the technical staff of the institution and those who are in the Regional Documentation Offices. An invitation was also extended to the

members of the Panamanian Association of Marine Officers (APOM), the Panama Shipowners Association (ARPA), the Panama International Maritime University (UMIP), Columbus University, Seafarer Placement Agencies and representatives of the Ministry of Labor and Development (MITRADEL), to participate in this important training.

The training's main objective was to raise awareness of the guidelines of the Convention and its amendments, which in total have been three to date, giving new rights for seafarers and obligations for shipowners, the last one being December 26, 2020. The most recent, the 3rd Amendment (2018) came into force and with it the following regulations were added:

- Seafarers' employment agreements (Regulation 2.1) which aims to ensure that employment agreements continue to have effect while seafarers are in captivity as a result of acts of piracy and/or armed robbery against ships.
- Wages (Regulation 2.2), which provides that wages and benefits, including remittances, provided for in seafarers' employment agreements, relevant collective bargaining agreements or applicable national laws, shall continue to be paid throughout the period of captivity and until the seafarer is released and duly repatriated or, in the event of death of the seafarer while in captivity, until the date of death determined in accordance with national laws or regulations.
- Repatriation (Regulation 2.5), which aims to ensure that the right to repatriation cannot expire when seafarers are held in

captivity as a result of acts of piracy or armed robbery against ships.

Due to the entry into force of these new amendments to the MLC, 2006, it became necessary to adapt the Executive Decree No 86 of February 22, 2013, national regulations through which the aforementioned Convention was regulated in the Republic of Panama.

Likewise, it was also necessary to update the guidelines for inspections by the flag State and the guidelines for inspections by the Port State. To carry out this update, a working group was created by the International Labor Organization (ILO), where the Republic of Panama was the country chosen to represent the Latin American and Caribbean region.

During the meeting, Panama was highlighted as the only country that announced last September 14, 2020, that it would no longer be issuing extensions of employment agreements for Seafarers working on Panama-flagged vessels, and returned to comply with the provisions set forth in the Maritime Labor Convention, 2006 (MLC, 2006).

These actions reaffirm the commitment of the AMP in the application of the Maritime Labor Convention, 2006 as amended, of which Panama is a signatory as well as national standards, the same that are carried out during the execution of the functions that are developed through the DGGM and its Department of Maritime Labor Affairs, whose main function is to ensure that seafarers enjoy decent living and working conditions that guarantee their welfare.

Merchant Marine Circulars - Year 2020

Title	Number	Release
<i>Announcement of Resolution entry in force January 1st 2020 for Amendments to the International CODE for Fire Safety SYSTEM (FSS CODE)</i>	MMC-378	January 2020
<i>Procedure for Port State Control (PSC), 2019</i>	MMC-379	June 2020
<i>Measurements to Reduce PSC Detentions on Panamanian Vessels</i>	MMC-380	June 2020
<i>U.S. Pre-ports arrival checklist for Panama flagged vessels</i>	MMC-381	June 2020
<i>Panama Policy on Remote Surveys and Remote Inspection Techniques</i>	MMC-382	June 2020
<i>List of Recognized Organizations whose rules have been confirmed as conforming to the GBS</i>	MMC-383	June 2020
<i>Guidelines for appeals process against Port State Control deficiencies/detentions</i>	MMC-384	July 2020
<i>Chief Cook Dispensation Letter - (MLC 2006)</i>	MMC-385	July 2020
<i>Inventory of Hazardous Materials (IHM) for ships calling at EU ports</i>	MMC-386	August 2020
<i>Mandatory Implementation of the Amendments to the 2011 ESP Code</i>	MMC-387	September 2020

Merchant Marine Notices - Year 2020

Title	Number	Release
IUU List	MMN-01/2020	January 2020
<i>Coronavirus Prevention Measures</i>	MMN-02/2020	February 2020
<i>Coronavirus and Seafarers employment agreement and Certificates</i>	MMN-03/2020	February 2020
<i>South Korea Establishes an Emission Control Area for Ships</i>	MMN-04/2020	February 2020
Press Release COVID-19	MMN-05/2020	March 2020
Decreased of the Security Level 2	MMN-06/2020	March 2020
COVID-19 Request for Postponement - Extension of Statutory Certification & Services	MMN-07/2020	March 2020
Suspend the Payment of Fees	MMN-08/2020	April 2020
Sanction to all those vessels of Panamanian Registry that deliberately deactivate the Long Range Identification and Tracking Equipment (LRIT) or the Automatic Identification System (AIS)	MMN-09/2020	May 2020
Guidance to Report Maritime Corruption in Ports	MMN-10/2020	June 2020
Ship Sanitation Control Exemption Certificate / Ship Sanitation Control Certificate, International Health Regulations, 2005, (IHR)	MMN-11/2020	June 2020
Gulf of Mexico - Bay of Campeche - Tabasco Republic of Mexico	MMN-12/2020	July 2020
Marine Safety Alert	MMN-13/2020	July 2020
Routeing Measures other than Traffic Separation Schemes	MMN-14/2020	August 2020
Australian Maritime Safety Authority (AMSA) Focused Inspection Campaign Proper Stowage and Securing of Cargo Containers	MMN-15/2020	August 2020
Repatriation Modalities due COVID-19	MMN-16/2020	September 2020
Concentrated Inspection Campaign on ISPS Code	MMN-17/2020	September 2020
USCG Ballast Water Management New Reporting Form	MMN-18/2020	October 2020
Application of Cyber Risk Management to Vessels Calling at United States Coast Guard	MMN-19/2020	November 2020
Amendments to the Code of the MLC, 2006, relating to standard A2.1 – Seafarers' Employment Agreements, standard A2.2, Wages and Guideline B2.5.1 – Entitlement	MMN-20/2020	December 2020
Suez Canal, Gulf of Oman and Yemen	MMN-21/2020	December 2020



Our 53 consular offices and 14 Segumar international technical offices are 100% operational

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New Regional Office

We are delighted to announce the opening of our new technical certification office Segumar in Hong Kong



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