

No. 10 2010/2011 - Amendments to the International Safety Management (ISM) Code

June 2010

Dear Sirs

AMENDMENTS TO THE INTERNATIONAL SAFETY MANAGEMENT (ISM) CODE

Members are reminded that amendments to the International Safety Management (ISM) Code, as adopted by IMO Resolution MSC.273(85) on 4 December 2008, will enter into force on 1 July 2010.

The main changes are as follows:

Section 1.1, Paragraph 1.1.10 - Definitions

A change to the definition of what constitutes a major non-conformity

The original text defined a major non-conformity as *“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 and includes the lack of effective and systematic implementation of a requirement of this Code”*. The phrase *“and includes”* has been replaced with the word *“or”* to make it clear that all serious risks or threats are considered to be major non-conformities, irrespective of the effectiveness of the safety management system (SMS). The wording of Paragraph 1.1.10 now reads: *“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 this Code”*.

Section 1.2, Paragraph 1.2.2.2 - Objectives

A change to how risks are identified and managed

Paragraph 1.2.2.2 originally stated that the Company should *“establish safeguards against all identifiable risks”* as one of its safety management objectives. This has now been replaced with a requirement for the Company to *“assess all identified risks to its ships, personnel and the environment and establish appropriate safeguards”*. The Company is at liberty to decide how it will assess such risks, but a procedure describing the process will almost certainly be required. The method used should also be acceptable to the Administration or Recognised Organisation (RO) concerned.

Section 5, Paragraph 5.1.5 – Master’s Responsibility and Authority

Provision for periodic master’s reviews of the SMS

The revised text states that *“The Company should clearly define and document the master’s responsibility with regard to periodically reviewing the safety management system and reporting its deficiencies to the shore-based management”*. The word *“periodically”* is new. The interval between such periodic reviews is not prescribed, therefore this must be specified by the Company. Although it has become customary for such reviews to be conducted annually, best practice might call for more frequent reviews depending on vessel type, trade, incident history and how often the master is

changed.

Section 7 - Development of Plans for Shipboard Operations

A change of wording regarding procedural requirements

Previously Section 7 stated (in part) that *“The Company should establish procedures for the preparation of plans and instructions, including checklists as appropriate, for key shipboard operations concerning the safety of the ship and the prevention of pollution”*. The requirement made no mention of key shipboard operations themselves being governed by procedures, although this has always been the case in practice. The sentence has therefore been amended to clarify the original intent of the regulation which now reads *“The Company should establish procedures, plans and instructions, including checklists as appropriate, for key shipboard operations concerning the safety of the personnel, ship and protection of the environment”*. It should also be noted that the phrase *“safety of the personnel”* has been added, and that the *“prevention of pollution”* has been replaced with the *“protection of the environment”*.

Section 8, Paragraph 8.1 - Emergency Preparedness

A change of wording regarding procedural requirements

Paragraph 8.1 originally required Companies to *“establish procedures to identify, describe and respond to potential emergency shipboard situations”*. In a similar manner to Section 7 the sentence has been reworded to read *“The Company should identify potential emergency shipboard situations, and establish procedures to respond to them”*.

Section 9, Paragraph 9.2 – Reports & Analysis of Non-Conformities, Accidents & Hazardous Occurrences

Measures to prevent recurrence introduced

The text of Paragraph 9.2 has been redrafted to read *“The Company should establish procedures for the implementation of corrective action, including measures intended to prevent recurrence”*. The requirement for corrective action to include *“measures to prevent recurrence”* is new, acknowledging that trying to stop similar incidents happening again is an essential part of the safety management process.

Section 10, Paragraph 10.3 - Maintenance of the Ship and Equipment

A change of wording regarding procedural requirements

As with Section 7 and Paragraph 8.1, this is another change of emphasis regarding procedural requirements. The sentence stating that *“The Company should establish procedures in its safety management system to identify equipment and technical systems the sudden operational failure of which may result in hazardous situations”* has been replaced with *“The Company should identify equipment and technical systems the sudden operation failure of which may result in hazardous situations”*.

Section 12, Paragraph 12.1 - Company Verification, Review and Evaluation

Clarification of internal audit requirements

The text of the regulation previously stated that *“The Company should carry out internal safety audits to verify whether safety and pollution prevention activities comply with the safety management system”*. However, the frequency and focus of such internal audits were not specified. The paragraph has been reworded to reflect customary good practice and now reads *“The Company should carry out internal safety audits on board 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”*. The phrase *“exceptional circumstances”* is not defined, but it is thought that deferring an audit for commercial reasons alone would not be acceptable.

Section 12, Paragraph 12.2 - Company Verification, Review and Evaluation

A change to what should be evaluated during the periodic review of the SMS

Previously Paragraph 12.2 stated that “*The Company should periodically evaluate the efficiency of and, when needed, review the safety management system in accordance with procedures established by the Company*”. The word “*efficiency*” has been replaced by “*effectiveness*” and the word “*review*” has been removed. Paragraph 12.2 now reads “*The Company should periodically evaluate the effectiveness of the safety management system in accordance with procedures established by the Company*”. Consequently the SMS should be evaluated to verify that it is achieving its aims and producing the intended results.

Section 13, Paragraph 13.12 - Certification and Periodical Verification ***Renewal of a SMC which has expired***

This paragraph is new and states that when renewal verification of a Safety Management Certificate (SMC) is conducted after it has expired, the new certificate shall be valid from the date the renewal verification was completed to a date not more than five years from when the previous SMC expired. This requirement has been introduced to eliminate any confusion over expiry dates in such circumstances, and to prevent companies from gaining an advantage by deferring the renewal of an SMC until after it has expired.

Section 13, Paragraph 13.13 - Certification and Periodical Verification ***Endorsement of an existing SMC after renewal verification if a new SMC cannot be provided***

A new paragraph which allows the Administration or RO to endorse an existing SMC if, following a renewal verification, they are unable to issue a new SMC or place it on board before the existing SMC expires. In such cases the SMC may be extended for no more than five months.

Section 13, Paragraph 13.14 - Certification and Periodical Verification ***Extension of an existing SMC allowing a ship to reach a port where renewal verification can take place***

Another new paragraph whereby the Administration may extend an SMC for no more than three months if renewal verification is not possible due to a vessel's location, allowing the ship to continue to a port where renewal verification can take place. If an SMC is extended on this basis, the vessel shall not be entitled to leave the agreed port until the SMC has been renewed. The period of validity shall not exceed five years from the date the existing SMC expired. An extension may only be granted “*where it appears proper and reasonable to do so*”, suggesting that unsatisfactory forward planning or pressing commercial obligations may not be sufficient.

Section 14, Paragraph 14.4.3 - Interim Certification ***Clarification regarding conditions for issuing an Interim SMC***

Paragraph 14.4.3 originally stated that “*An Interim Safety Management Certificate may be issued following verification that the Company has planned the audit of the ship within three months*”. The passage has been amended to make it clear that this requirement refers to an “*internal audit*”.

Safety Management Certificate ***Changes to the format***

To accommodate the provisions of Paragraphs 13.12, 13.13 and 13.14, appropriate changes have been made to the format of the Safety Management Certificate.

In the event of any queries, please contact the Loss Prevention department.

Yours faithfully
For: **West of England Insurance Services (Luxembourg) S.A.**
(As Managers)

M W H Williams
Director