

# **RULES FOR CERTIFICATION OF SAFETY MANAGEMENT SYSTEM**

**Developed in Accordance with :**

- 1. International Safety Management Code and**
- 2. Guidelines on Implementation of the International Safety  
Management (ISM) Code by Administrations**

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**CR Classification Society**

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## **Charter 1    General**

- 1.1.    The Rules for certification of Safety Management System ( hereinafter referred to as the Rules ) are developed in accordance with the International Safety Management Code, as amended (hereinafter referred to as ISM Code ) and “Guidelines on Implementation of the International Safety Management (ISM)Code by Administrations, as amended” adopted by IMO.
- 1.2     CR Classification Society (hereinafter referred to as CR) performs verifications and issues certificates of Safety Management System (hereinafter referred to as SMS) to companies and /or ships    in accordance with the requirements of the Rules.
- 1.3     A request for certification of the SMS should be submitted by the Company to this Society.

## **Charter 2    Definitions**

The following definitions apply to the Rules:

- 2.1     ISM Code  
“ISM Code ” means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by IMO and as may be amended by the Organization .
- 2.2     Company  
“Company” means the owner of the ship or any other organization or person such as the manager, or the bareboat charterer, 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 the duties and responsibilities imposed by the ISM Code.
- 2.3     Verification  
“Verification” means to check and confirm that the activities or operations are performed    in accordance with the specified requirements.
- 2.4     Document of Compliance ( hereinafter referred to as DOC)

“Document of Compliance” means a document issued by this Society to a Company which signifies that the Company’ SMS complies with the requirements of the ISM Code.

2.5 Safety Management Certificate (hereinafter referred to as SMC)

“Safety Management Certificate” means a document issued by this Society to a ship which signifies that the Company and its shipboard management operate in accordance with the approved SMS upon satisfactory completion of the assessment. .

2.6 Administration

“Administration” means the Government of the State whose flag the ship is entitled to fly.

2.7 Safety Management System (hereinafter referred to as SMS)

“Safety Management System (SMS)” means a structured and documented system enabling Company personnel to effectively implement the Company Safety and Environmental Protection Policy.

2.8 Safety Management Manual

“Safety Management Manual” is a documentation used to describe and implement the SMS.

2.9 Safety Management Audit

“Safety Management Audit” means a systematic and independent examination to determine whether the SMS activities and related results comply with planned arrangements and whether these arrangements are implemented effectively and are suitable to achieve objectives.

2.10 Observation

“Observation” means a statement of fact made during a safety management audit and substantiated by objective evidence. The statement of observation may result in a non-conformity, if corrective actions are not taken.

2.11 Objective Evidence

“Objective evidence” means quantitative or qualitative information, records or statements of fact pertaining to safety or to the existence and implementation of a SMS element, which is based on observation, measurement or test and which can be

verified.

#### 2.12 Non-Conformity

“Non-Conformity” means an observed situation where objective evidence indicates the non-fulfilment of a specified requirement.

#### 2.13 Major Non-Conformity

“Major Non-Conformity” means an identifiable deviation which poses a serious threat to personnel or ship safety or a serious risk to the environment and requires immediate corrective action; in addition, the lack of effective and systematic implementation of a requirement of the ISM Code is also considered as a major non-conformity.

#### 2.14 Finding

“Finding” is a non-fulfilment of objectives or requirements defined by the Company which goes beyond what should be subject to mandatory ISM Code certification. It does not affect the issue or renewal of a DOC and /or SMC.

## **Chapter 3 Issuance and Validity of DOC and SMC**

### 3.1 Issuance and validity of the DOC

3.1.1 The DOC should be issued to a company by this Society following an initial verification of compliance with the requirements of the ISM Code.

3.1.2 The DOC should be issued by this Society following a verification that the SMS of the Company complies with the requirements of the ISM Code and determination of objective evidence proving that it is effectively implemented. The verification should include objective evidence demonstrating that the Company SMS has been in operation for at least three months, and an SMS has been in operation on board at least one ship of each type operated by the Company for at least three months. The objective evidence should, inter alia, include records from the internal annual audit performed by the Company, ashore and on board.

3.1.3 The DOC is valid for the types of ships on which the initial verification was based.

3.1.4 The validity of a DOC may be extended to cover additional ship types after the

document review. If necessary, the additional verification must be implemented to confirm that the Company's capability is in compliance with the requirements of the ISM Code for such ship types. Otherwise it must be confirmed in next verification.

- 3.1.5 The DOC is valid for a period of five years.
- 3.1.6 The validity of the DOC is subject to annual verification within three months before or after the anniversary date to confirm the effective functioning of the SMS. This should include examining and verifying the correctness of the statutory and classification records presented for at least one ship of each type to which the DOC applies. Corrective actions and modifications to the SMS carried out since the previous verification should be verified.
- 3.1.7 Renewal of the DOC for a further period of five years should include assessment of all the elements of the SMS regarding its effectiveness in meeting the objectives specified in the ISM Code.
- 3.1.8 This Society will withdraw the DOC if the periodical verification of the DOC is not requested before the deadline.

## 3.2 Issuance and validity of the SMC

- 3.2.1 The SMC should be issued by this Society to a ship following an initial verification of compliance with the requirements of the ISM Code . This includes the verification that the DOC for the Company responsible for the operation of the ship is applicable to that particular type of ship, and assessment of the shipboard SMS to verify that it complies with the requirements of the ISM Code, and that it is implemented. Objective evidence demonstrating that the Company's SMS has been functioning effectively for at least three months on board the ship should be available, including, inter alia, records from the internal audit performed by the Company.
- 3.2.2 The SMC is valid for a period of five years.
- 3.2.3 The validity of the SMC is subject to at least one intermediate verification, confirming the effective functioning of the SMS, and that any modifications carried out since the previous verification comply with the requirements of the ISM Code. In certain cases, particularly during the initial period of operation under the SMS, it may be necessary to increase the frequency of the intermediate verification. Additionally, the

nature of non-conformities may also provide a basis for increasing the frequency of intermediate verifications.

3.2.4 Renewal of the SMC for a further period of five years should include an assessment of all elements of the SMS pertaining to that ship and regarding its effectiveness of the SMS in meeting the objectives specified in the ISM Code.

3.2.5 This Society will withdraw the SMC if intermediate verification is not requested.

### 3.3 Interim DOC and SMC

3.3.1 In cases of change of flag or Company, special transitional arrangements should be made in accordance with these guidelines.

3.3.2 An Interim DOC may be issued to facilitate initial implementation of the ISM Code and implementation where a Company is newly established or where new ship types are added to an existing DOC.

3.3.3 This Society may issue an Interim DOC, valid for no more than twelve months, to a Company following a demonstration that the Company has an SMS that meets the objectives of paragraph 1.2.3 of the ISM Code. The Company should demonstrate plans to implement an SMS meeting the full requirements of the ISM Code within the period of validity of the Interim DOC.

3.3.4 An Interim SMC, valid for not more than six months, may be issued to new ships on delivery, and when a Company takes on the responsibility for the management of a ship which is new to the Company. In special cases this Society may extend the validity of the Interim SMC for a further six months.

3.3.5 Before issuing an Interim SMC, this Society should verify that:

- 1. The DOC, or the Interim DOC, is relevant to that ship;
- 2. The SMS documentation 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 the Interim DOC;
- 3. The master and relevant senior officers are familiar with the SMS and the planned arrangements for its implementation;
- 4. Instructions which have been identified as essential to be provided prior to sailing have been given;

- 5. Plans for Company audit of the ship within three months exist; and
- 6. The relevant information on the SMS is given in a working language or languages understood by the ship's personnel.

### 3.4 Major Non-Conformity

3.4.1 Major Non-Conformity shall be dealt with in accordance with "MSC/Circ.1059 Procedures Concerning Observed ISM Code Major Non-Conformities".

3.4.2 This Society will notify the Administration any major non-conformity that leads to withdrawal of a Document of Compliance or Safety Management Certificate, or that has been allowed to be downgraded and that corrective actions have been satisfactorily completed

3.4.3 A major non-conformity found may be downgraded to a non-conformity if satisfied that effective corrective action is being taken. A major non-conformity raised on a ship should be downgraded before the ship sails. A schedule not exceeding three months should be agreed for completion of the necessary corrective actions. At least one additional audit should be carried out within the time frame indicated in the agreed corrective action plan to verify that effective actions are taken.

3.4.4 A company whose Document of Compliance has been withdrawn should not be issued with an Interim Document of Compliance. Furthermore, a new Document of Compliance should not be issued unless an initial verification or an additional verification to the extent and scope of an initial verification has been carried out. The new Document of Compliance should have an expiry date, the same as the withdrawn document.

3.4.5 Where the associated Safety Management Certificates are withdrawn as a result of the withdrawal of Document of Compliance caused by a major non-conformity, new Safety Management Certificates should not be issued unless the Document of Compliance has been reinstated and a verification to the scope of an initial verification has been carried out on board the ships on a representative sample basis. At least one ship of each type operated by the company should be verified.

3.4.6 For a ship where the Safety Management Certificate appears valid, but the



Company's Document of Compliance has been withdrawn, the ship shall not be put into operation until the Document of Compliance is reissued.

3.4.7 For a ship where the Safety Management Certificate has been withdrawn, the ship shall not be put into operation until the Safety Management Certificate is reissued.

3.4.8 For a ship whose Safety Management Certificate has been withdrawn as a result of major non-conformity, an Interim Safety Management Certificate should not be issued. Furthermore, a new Safety Management Certificate should not be issued unless an initial verification or an additional verification to the extent and scope of an initial verification has been carried out on board the ship. In addition, depending on the nature of the major non-conformity raised against the Safety Management System implemented on board the ship, the validity of the Document of Compliance may also need to be verified by an audit, equivalent in scope to an annual audit, prior to the issue of the Safety Management Certificate. The new Safety Management Certificate should have an expiry date, the same as the withdrawn certificate.

## **Chapter 4 The Verification Process of the SMS**

### **4.1 General**

4.1.1 There are three categories of verifications for Company and Ship's SMS:

- 1. Initial Verification;
- 2. Periodical or Intermediate Verification;
- 3. Renewal Verification.

4.1.2 Application forms provided by this Society shall be filled out by the Company, when submitting a request for initial verification, periodical verification, intermediate verification or renewal verification.

4.1.3 Periodical verification for Company is to be carried out within three months before and after each anniversary date of DOC.

Intermediate verification is to be carried out between the second and third anniversary date of the issue of the SMC.

4.14 Renewal verification may be carried out within six months before the expiry date of the DOC or the SMC and should be completed before their expiry

date.

## 4.2 Initial verification

4.2.1 Initial verification of the Company's SMS includes document review and field verification.

4.2.2 The Company shall submit to this Society the following documentation:

- 1. The Safety Management Manual;
- 2. List of operational procedures and working instructions for the SMS;
- 3. Types and names of the ships covered by the verification;
- 4. Outline of the company (including the organizational chart);
- 5. Outline of the business;
- 6. Other reference explaining the SMS;

## 4.2.3 Document Review

- 1. In case non-conformities against the requirements of the ISM Code in the Safety Management Manual are found during the review of the SMS, this Society shall require their amendment and submission of additional supporting documents.
- 2. Where it is considered necessary by this Society, the auditor may visit the company in advance of the verification visit in order to understand the Company' SMS and to draw up the verification visit plan.

## 4.2.4 Verification of Company' SMS

- 1 The verification of the Company's SMS includes:
  - (1) Objective evidence that the Company's SMS has been in operation for at least three months and at least three months on board one ship of each type operated by the company.
  - (2) Objective evidence is to include records from internal audits performed by the Company, both ashore and onboard.
  - (3) Verification that the operation is carried out in compliance with the approved SMS.
- 2. The verification is to be carried out by a verification team consisting of qualified auditors appointed by this Society.
- 3. Upon completion of the verification, this Society will inform the

Company of the results of the verification.

- 4. In case there are corrective actions to be taken by the Company for the non-conformities found, the Auditor of this Society will put forward the requirements for the corrective actions and set out the time limit and the follow-up verification plan with the Company.

#### 4.2.5 Issuance of a DOC

- 1. On satisfactory completion of the assessment, a DOC shall be issued to the Company and the copy of which should be sent to the Administration. The Company should send the copies of DOC to each shore side location and each ship in the Company's fleet.
- 2. The period of validity for DOC is to be five (5) years from the date of completion of the Company verification.
- 3. A DOC is to specify the types of ships under the management of the Company.
- 4. A DOC shall not be issued unless the corrective actions for all the major non-conformities have been closed out by the Auditor.
- 5. The DOC may be issued before other non-conformities have been closed out, but this is subject to a schedule of corrective actions within 3 months, being agreed upon between the Company and the Auditor.

#### 4.2.6 Shipboard Verification of the SMS

- 1. The verification of the shipboard SMS includes:
  - (1) DOC, in which the type of the ship is included in the identified types;
  - (2) Objective evidence that the Company's SMS has been in operation for at least three months on board;
  - (3) The objective evidence is to include records from internal audits performed by the Company on board;
  - (4) Verification that the operation is carried out in compliance with the approved SMS;
  - (5) Classification certificates; and
  - (6) Relevant statutory certificates.
- 2. The shipboard verification is to be carried out by the Auditors of this Society.
- 3. Upon completion of the verification, this Society will inform the applicant of the results of the verification.

- 4. In case there are corrective actions to be taken on board for the non-conformities found, the Auditor of this Society will put forward the requirements for the corrective actions and set out the time limit and the follow-up verification plan with the Master.

#### 4.2.7 Issuance of the SMC

- 1. On satisfactory completion of the assessment, a SMC will be issued to the ship, and the copy of which should be sent to the Administration for its records. The Company should keep a copy of the SMC.
- 2. The period of validity for DOC is to be five (5) years from the date of completion of the shipboard verification.
- 3. A SMC shall not be issued unless the corrective actions for all the major non-conformities have been closed out by the Auditor.
- 4. The SMC may be issued before other non-conformities have been closed out, but this is subject to a schedule of corrective actions within 3 months, being agreed upon between Master and the auditor of this Society.

#### 4.3 Periodical Verification of the DOC (Annual Verification)

- 4.3.1 Periodical verification is carried out by this Society following a request for verification by the Company.
- 4.3.2 The purpose of the periodical verification is to verify the effective functioning of the SMS, and that any modifications made since the previous verification to the SMS comply with the requirements of the ISM Code.
- 4.3.3 This Society shall define appropriately the items , scope and extent of verification according to the maintained conditions of the SMS.
- 4.3.4 Where the Company has more than one shore side premises, each of which may not have been visited at the initial assessment or renewal assessment , the periodical assessments should endeavor to ensure that all sites are visited during the period of validity of the DOC.
- 4.3.5 Major non-conformities found during the periodical verification should be closed out before a DOC can be endorsed, and corrective actions required for other non-conformities should be completed within 3 months and the results of the implementation should be verified.

#### 4.4. Intermediate Verification of the SMC

- 4.4.1 Intermediate verification is carried out by this Society following a request for verification by the Company.
- 4.4.2 The purpose of the intermediate verification is to verify the effective functioning of the SMS, and that any modifications made since the previous verification to the SMS comply with the requirements of the ISM Code.
- 4.4.3 This Society shall define appropriately the items, scope and extent of verification according to the maintained conditions of the SMS.
- 4.4.4 major non-conformities found during the periodical verification should be closed out before a DOC can be endorsed, and corrective actions required for other non-conformities should be completed within 3 months and the results of the implementation should be verified.

#### 4.5 Renewal Verification

- 4.5.1 Renewal verification should be carried out within six months before the expiry date of the DOC or the SMC.
- 4.5.2 Renewal verification is carried out in accordance with the requirements in 4.2 for initial verification. However, a complete document review may not be necessary, unless substantial modifications have taken place.
- 4.5.3 On satisfactory completion of the renewal verification, this Society shall issue a new DOC or SMC to the Company or ship, and the copy of which should be sent to the Administration for records.

#### 4.6 Preparations for Verification

- 4.6.1 The company which undergoes a verification is to make necessary preparations according to verification plan as notified by this Society or items as viewed necessary by the auditor of this Society.
- 4.6.2 The Company, when undergoing a verification, is required to assign personnel to cooperate with the auditors of this Society and to ensure that the auditors have access to all documents and records related to the SMS.
- 4.6.3 Suspension and Termination of Verification  
If the Company which undergoes a verification fails to make necessary preparations or assign accompanying personnel, or the auditor of this Society judges that the verification will not reach the expected purpose, the

verification may be suspended , or if the auditor judges that there is danger involved, the verification may be terminated and the company or ship will be notified of the reasons.

## **Chapter 5      Service Fees and Miscellaneous Expenses**

- 5.1      When providing services in accordance with the Rules, service fees, travel expenses as well as other miscellaneous expenses will be collected based on the table of fees to be determined separately.

## **Chapter 6      Others**

- 6.1      The verification of compliance with the ISM Code does not relieve the Company, management, personnel or seafarers of their obligations as to compliance with national and international legislation related to safety and protection of the environment.
- 6.2      Confidentiality
- 6.2.1    This Society is responsible for not disclosing any contents obtained from the verifications of the SMS to any other third party without permission of the Company , except those required to submit to the Administration .