International Safety Management (ISM) Code
(International Management Code for the Safe Operation of Ships and for Pollution Prevention)

1. INTRODUCTION

1.1 Statistical analyses suggest that around 80% of all shipping accidents are caused by human errors, the underlying truth is that the act or omission of human being play some part in virtually every accident, including those where structural or equipment failure may be the immediate cause.

1.2 Safety and environmental protection aspects of internationally shipping are controlled by many international conventions, protocols, codes of practice, guidelines and other instruments developed by national and international authorities. The vast majority of these focus on the physical aspect of ships and the training of their officers and crews.

1.3 It has been recognized relatively recently that this sort of technical regulation can only achieve part of the objective of safe and pollution-free ships' operations. The other part must come from a safety framework within which these regulations are addressed so that the objective can be truly achieved.

1.4 Unlike the majority of the IMO Conventions, Codes and guidelines on which the present regulatory system is based, the ISM Code focus on the role of people and the human element so that at all times they can safely monitor and develop the management skills to improve ship operations.

1.5 The ISM Code support and encourage the development of a safety culture within the shipping industry. For the management system to be effectively implemented and successful, there must be a commitment from the top, responsibilities assigned and measures in place to remedy deficiencies.

2. Government Obligations in respect of ensuring ships conforming to the requirements of the ISM Code

2.1 IMO has established guidelines for Administrations on the implementation of the ISM Code, it addresses matters such as the recognition of organisations to issue certificates on behalf of flag States and the qualifications of auditors and assessment personnel. Marine Department adhere closely to these guidelines when implementing the ISM Code requirements.

2.2 In Hong Kong the ISM Code is the subject of a Legislation. Not until its acceptance into the SOLAS Convention on 1 July 1998 its application on Hong
Kong registered ships will be only voluntary.

2.3 We have 42 shipping companies in Hong Kong owning, operating or managing around 250 Hong Kong registered ships which are required to comply with the ISM Code.

2.4 Being a responsible flag State, Hong Kong will neither extend the deadline for implementing the ISM Code nor providing exemption from the provisions of the ISM Code.

3. **The Policing Mechanisms, Inspection Controls and Verification of ISM Certificate of Compliance and Safety Management**

3.1 From 1 July 1998 MD will include the compliance with the ISM Code as part of our Port State Control (PSC) program. I believed other Administrations will adopt a similar and responsible attitude towards the implementation of this Code.

3.2 Port State Control (PSC) inspection of ships visiting Hong Kong are carried out by Marine Department (MD) Surveyors in accordance with international guidelines which have been produced by the International Maritime Organization (IMO), International Labour Organization (ILO), Paris and Tokyo MOU.

3.3 Traditionally, PSC involves a Surveyor boarding the ship to first check that its statutory certificates are valid and that the SMS documentation is in order. The Surveyor will then do a brief inspection to check the condition of the craft. This usually will include a general look at the condition of the accommodation space, engine room, wheelhouse and deck areas as well as requesting the crew to operate some of the emergency equipment such as the emergency fire pump. PSC inspection enables the Surveyor to make a general assessment of the condition of the ship and its equipment and to assess the ability of the crew to operate their ship safely.

3.4 Monitoring of ships registered in Hong Kong with respect to the ISM Code requirements will be exercised during the pre-registration and five-yearly audit surveys conducted by MD’s Surveyors.

4. **Acceptance and Reciprocal Agreement**

4.1 At the moment, MD have no arrangements to accept the ISM assessment and certification by foreign Administrations for Hong Kong registered ships and their operating companies. However, MD is prepared to enter into a positive dialogue with other Administrations in order to facilitate the auditing and
certification process and to avoid unnecessary duplication of work.

4.2 MD fully aware the provision of SOLAS Chapter IX Regulation 4.1 which allows the Administration itself, an organization recognized by the Administration, or at the request of the Administration by another Contracting Government to issue the Document of Compliance (DOC).

4.3 MD advised companies operating multi-flagged ships to approach the relevant flag Administrations, to propose a plan of action and requesting agreement by all relevant parties.

5. Issuance of ISM certificates and assessment of ship and companies

5.1 An essential element of the ISM Code is the requirement for both external and internal audits of the Safety Management System within the company. These audits not only form the basis for the formal certification but just as importantly they provide the objective evidence to the users of the SMS as to the manner in which their system is operating.

5.2 MD will be responsible for the assessment, issue and renewal of ISM Code certificates and their periodic verification relating to passenger ships.

5.3 MD carried out the external verification of companies and ships for compliance with the requirements of the ISM Code. The audit will check that the SMS complies with requirements of the ISM code and that mandatory rules and regulations, codes, guidelines and standards are taken into account.

5.4 MD will also assess the ability of the SMS in meeting the general safety management objectives such as adherence to safe practices in ship operations and the maintenance of a safe working environment. We will also ensure that there are established safeguards against all identified risks and that procedures are in place for dealing with emergency situations.

6. Control of subcontracted parties (if used) carrying out assessment on behalf of the government

6.1 MD delegate the function of ISM assessment work relating to cargo vessels, including bulk carriers, oil tankers, chemical tankers, gas carriers, and cargo high speed craft, to Recognized Organizations (ROs). The delegation is limited to those Classification Societies which are currently authorized to undertake statutory survey and certification services on behalf of MD, they are ABS, BV, CCS, DNV, GL, LR and NK. However, if the shipowner/operator so desires, Marine Department will carry out the ISM assessment and issue the relevant certificates.
6.2 In accordance with the implementation guidelines, MD will ensure any employees from a recognized organisation performing audits on its behalf must be totally independent from personnel providing any consultancy services to the same company. This is also in line with established QA auditing principles.

6.3 MD maintains an active monitoring role of the work done by the ROs. Before a RO undertakes a DOC audit, the company will be required to submit to MD the Safety Management System documentation for our perusal. While MD retains the right to carry out an independent DOC audit, it is envisaged that in most cases MD will participate in the audit by ROs to minimise the inconvenience caused.

6.4 In order to meet our obligations as an administration and assure ourselves of the integrity of the safety systems and audit process, MD Surveyors will accompany the officers of the approved organisations on scheduled audits to verify that the audits are carried out effectively and that the advice of compliance provided to MD by these organisations is soundly based.

6.5 Whilst MD is confident that the seven classification societies recognized by us is sufficient to conduct third party independent audits on our behalf, we do not rule out the possibility of approving other appropriately qualified and competent bodies to conduct ISM Code audits on our behalf.

7. Standards of competence covering assessors

7.1 Effective implementation of the ISM Code depends heavily on the qualifications of the personnel appointed to carry out the appropriate verifications. Since the ISM Code audit requirements have some similar elements to that of the ISO 9000 standards, MD included training of QA auditing techniques into the training requirements of ISM Code auditors.

7.2 So far twelve MD Surveyors have already attended an approved ISM Code auditor training course. The theoretical part of these training consists of a recognized Lead Assessor Course of five days duration, followed by an ISM Code training for at least two weeks. These will be followed by practical training in accordance with IMO guidelines.

7.3 Training of auditors takes time, and availability of competent auditors is of vital importance to avoid ships being put out of service. It is our intention for all of our surveyors to gain the required training and experience to handle both external audits and also PSC inspections with respect to the ISM Code.

7.4 Since ISM Code is a new thing and everybody is on a learning curve, MD will adjust its approach from focusing on hardware to focus on the software, i.e.
adequacy of the management system, people and procedures etc. This is more or less a challenge to our traditional role, but I am confident that we will adapt to this change in the regulatory approach.

8. **Penalties for non-compliance**

8.1 During the last Ministerial Conference of the Paris & Tokyo MOUs on PSC, the Ministers confirm that no exemption from the provisions of the ISM Code will be accepted and that ships, to which the provisions of Chapter IX of SOLAS 1974, apply, arriving in their ports after 1 July 1998, which do not have the required Safety Management System, will be subjected to decisive PSC action including detention. Such a detention may be followed by the refusal of access for trading purposes to ports of the Paris & Tokyo Memoranda.

8.2 Our Secretary for Economical Services is schedule to attend the Conference in March 1998 at Vancouver, B.C., Canada and signs the Declaration.

8.3 MD will therefore, include in all of our PSC inspections a check to ensure that all ships visiting Hong Kong have in place a Safety Management System (SMS). Where a ship does not have the required system in place or where a "major non-conformity" is found, the ship is liable to be detained until appropriate rectification has been implemented.

9. **Conclusion**

In concluding, I strongly believed that the ISM Code represents a component of invaluable importance and significance to improve safety of life at sea and preserve the marine environment from pollution by ships. It can only be implemented if everyone involved understands what they must do and extends the fullest cooperation to others who will be participating in the process.

Marine Department will work closely with industry to achieve positive results, I trust the introduction of the ISM Code will go a long way to ensuring and promoting a safety culture throughout the industry.