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Ref. T2-HES/4.2  
T5-MEPC/1.01

MSC-MEPC.7/Circ.5  
19 October 2007

**GUIDELINES FOR THE OPERATIONAL IMPLEMENTATION  
OF THE INTERNATIONAL SAFETY MANAGEMENT (ISM) CODE  
BY COMPANIES**

1 The Maritime Safety Committee at its eighty-second session (29 November to 8 December 2006) and the Marine Environment Protection Committee at its fifty-sixth session (9 to 13 July 2007) considered the report of the Group of Independent Experts on the impact of the ISM Code and its effectiveness in the enhancement of safety of life at sea and protection of the marine environment and agreed that guidelines and associated training should be developed to assist companies and seafarers in improving the implementation of the Code.

2 The Marine Environment Protection Committee at its fifty-sixth session (9 to 13 July 2007) and the Maritime Safety Committee at its eighty-third session (3 to 12 October 2007) further agreed that it was essential to review the existing guidelines and develop new guidelines to assist companies in effective and efficient operational implementation of the ISM Code.

3 Accordingly, the Committees approved the guidelines for operational implementation of the ISM Code by Companies as set out in the annex.

4 Member Governments and international organizations concerned are recommended to bring this circular to the attention of all parties concerned.

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## ANNEX

### **GUIDELINES FOR THE OPERATIONAL IMPLEMENTATION OF THE INTERNATIONAL SAFETY MANAGEMENT (ISM) CODE BY COMPANIES**

## **1 INTRODUCTION**

### **1.1 The ISM Code**

1.1.1 The International Management Code for the Safe Operation of Ships and for Pollution Prevention (International Safety Management (ISM) Code) was adopted by the Organization by resolution A.741(18) and became mandatory by virtue of the entry into force on 1 July 1998 of SOLAS chapter IX on Management for the Safe Operation of Ships. The ISM Code provides an international standard for the safe management and operation of ships and for pollution prevention.

1.1.2 The Maritime Safety Committee, at its seventy-third session, adopted amendments to chapter IX of SOLAS by resolution MSC.99(73), and to sections 1, 7, 13, 14, 15 and 16 of the ISM Code by resolution MSC.104(73).

1.1.3 The ISM Code requires that Companies establish safety objectives as described in section 1.2 of the ISM Code, and in addition that the Companies develop, implement and maintain a safety management system which includes functional requirements as listed in section 1.4 of the ISM Code.

1.1.4 The application of the ISM Code should *support and encourage* the development of a safety culture in shipping. Success factors for the development of a safety culture are, *inter alia*, commitment, values and beliefs.

## **2 SCOPE AND APPLICATION**

### **2.1 Definitions**

The terms used in these Guidelines have the same meaning as those given in the ISM Code.

### **2.2 Scope and Application**

2.2.1 These Guidelines establish the basic principles for:

- .1 reviewing the safety management system by a Company;
- .2 the role of the Designated Person under the ISM Code;
- .3 reporting and analysing of non-conformities, accidents and hazardous occurrences (including near-misses); and
- .4 performing internal audits and management reviews,

and do not reduce or replace the Company's responsibilities outlined in the ISM Code.

### **3 DEVELOPMENT OF THE SAFETY MANAGEMENT SYSTEM**

3.1 The ISM Code requires that Companies establish safety objectives as described in section 1.2 of the ISM Code, and in addition that Companies develop, implement and maintain a safety management system (SMS) which includes functional requirements as listed in section 1.4 of the ISM Code.

3.2 Given the self-regulatory principles of the ISM Code, the internal verification and review processes are key elements in the implementation of each SMS. The Company should consider the outcome of internal audits, internal SMS reviews and analysis of non-conformities, accidents and hazardous occurrences to enhance the effectiveness of operations and procedures within their SMS. To comply with the Code, the Company should:

- .1 designate a person or persons with direct access to the highest level of management who should monitor the safe operation of each ship (section 4);
- .2 ensure that adequate resources and shore-based support are provided to enable the designated person or persons to carry out their functions (section 3.3);
- .3 define and document the master's responsibility with regard to reviewing the safety management system and reporting its deficiencies to the shore-based management (section 5.1);
- .4 establish procedures for reporting and analysis of non-conformities, accidents and hazardous occurrences (section 9.1);
- .5 periodically evaluate the effectiveness of, and when needed, review the safety management system (section 12.2); and
- .6 perform internal audits to verify whether safety management activities comply with the requirements of the safety management system (section 12.1).

### **4 DESIGNATED PERSON**

4.1 A key role, as identified by the ISM Code, in the effective implementation of a safety management system is that of the Designated Person. This is the person based ashore whose influence and responsibilities should significantly affect the development and implementation of a safety culture within the Company.

4.2 The designated person should verify and monitor all safety and pollution prevention activities in the operation of each ship. This monitoring should include, at least, the following internal processes:

- .1 communication and implementation of the safety and environmental protection policy;
- .2 evaluation and review of the effectiveness of the safety management system;
- .3 reporting and analysis of non-conformities, accidents and hazardous occurrences;

- .4 organizing and monitoring of internal audits;
- .5 appropriate revisions to the SMS; and
- .6 ensuring that adequate resources and shore-based support are provided.

4.3 To enable the designated person to carry out this role effectively, the Company should provide adequate resources and shore-based support. These include:

- .1 personnel resources;
- .2 material resources;
- .3 any training required;
- .4 clearly defined and documented responsibility and authority; and
- .5 authority for reporting non-conformities and observations to the highest level of management.

4.4 Designated Person(s) should have the qualifications, training and experience as set out in MSC-MEPC.7/Circ.6, to effectively verify and monitor the implementation of the safety management system in compliance with the ISM Code.

## **5 REVIEW OF THE SAFETY MANAGEMENT SYSTEM**

5.1 The Company should, when needed, review and evaluate the effectiveness of the SMS in accordance with procedures established by the company. Further, it is one of the master's responsibilities to review the safety management system and to report its deficiencies to the shore-based management. Shore based and ship board internal audits should be performed at least once a year.

5.2 Management reviews support companies' efforts in achieving the general safety management objectives as defined in section 1.2.2 of the ISM Code. Based upon the results of such reviews, the Company should implement measures to improve further the effectiveness of the system. The review should be performed on a periodical basis or when needed, e.g., in case of serious system failures. Any deficiencies found during the management review should be provided with appropriate corrective action taking into account the Company's objectives. The results of such reviews should be brought to the attention of all personnel involved in a formal way. The management review should at least take into account the results of the internal audits, any non-conformities reported by the personnel, the master's reviews, analysis of non-conformities, accidents and hazardous occurrences and any other evidence of possible failure of the SMS, like non-conformities by external parties, PSC inspection reports, etc.

## **6 REPORTING AND ANALYSING OF NON-CONFORMITIES, OBSERVATIONS, ACCIDENTS AND HAZARDOUS OCCURRENCES**

6.1 The SMS should contain procedures to ensure that non-conformities, observations and hazardous occurrences are reported to the responsible person of the management. The Company should have a system in place for recording, investigating, evaluating, reviewing and analysing such reports, and to take action as appropriate.

6.2 The system should ensure such reports are reviewed and evaluated by the responsible person(s) in order to determine appropriate corrective action and to ensure that recurrences are avoided. The evaluation of reports may result in:

- .1 appropriate corrective actions;
- .2 amendments to existing procedures and instructions; and
- .3 development of new procedures and instructions.

6.3 The responsible person should properly monitor the follow-up and closing-out of the non-conformities/deficiency reports. The receipt of reports should be acknowledged to those persons who have raised the reports. This should include the status of the report and any decisions made.

6.4 The Company should encourage the reporting of near-misses to maintain and improve safety awareness (see MSC/Circ.1015). A near miss can be defined as hazardous situation where an accident was avoided. The reporting and analysis of such incidents are essential for an effective risk assessment by the Company, especially where accident information is not available.

## **7 INTERNAL AUDITS**

7.1 Companies should carry out internal audits at least once per year to verify whether shore-based and shipboard activities comply with the SMS. These internal verifications should be prepared and conducted in accordance with procedures established by the Company. The procedures should at least consider the following elements:

- .1 responsibilities;
- .2 competence and selection of auditors;
- .3 audit scheduling;
- .4 preparing and planning the audit;
- .5 executing the audit;
- .6 audit report; and
- .7 corrective action follow-up.

## **8 QUALIFICATIONS, TRAINING AND EXPERIENCE**

8.1 The ISM Code requires the Company to ensure that all personnel involved in the Company's SMS have an adequate understanding of relevant rules, regulations, codes and guidelines. The Company should ensure that all personnel have the qualifications, training and experience that may be required in support of the SMS.