

GUIDANCE NOTE 08/2026 (Rev 1.0)

ISM SAFETY MANGEMENT SYSTEM REVIEWS

To: ISM Company Executives, Designated Persons Ashore (DPAs), Owners, Yacht Managers, Captains and those seeking an ISM Document of Compliance (DOC).

EXECUTIVE SUMMARY

This Guidance Note provides shipowners and operators with a clear benchmark for developing and maintaining a compliant, practical Safety Management System (SMS) under the International Safety Management (ISM) Code. It has been developed by the Cayman Registry to address common deficiencies, specifically submissions overly reliant on vague, aspirational, mirrored statements rather than clear, actionable processes. The document outlines the minimum regulatory expectations for a clearly documented ISM health, safety, environment and quality (HSEQ) led process across expected critical operational areas:

- **Framework & Objectives:** Establishes the regulatory basis of the ISM Code under SOLAS and defines an SMS as a structured, auditable system covering physical and cyber risks, international regulations, and clear safety policies.
- **Management & Authority:** Requires concise, senior-management-endorsed safety strategies; a genuine physical company infrastructure and maritime roles and responsibilities; transparent lines of authority; and an appropriately qualified Designated Person Ashore (DPA) with direct top-management access.
- **Shipboard Leadership & Crewing:** Mandates an explicit, unequivocal statement of the Master's overriding authority in a crisis, supported by qualified seafarers, oversight processes from the company, structured in-person SMS briefings, verified language proficiency, and ongoing role-specific training.
- **Operations, Contingencies, & Incidents:** Outlines mandatory ship-specific operational procedures across all voyage phases (including HSEQ responsibility splits between ship and shipyard), an integrated emergency contingency framework supported by rigorous drill programs, and systematic incident reporting that separates internal non-conformities from statutory obligations.
- **Maintenance & Document Control:** Requires establishment of a fundamental planned maintenance system (PMS) benchmark, regular defect reporting and critical system maintenance without waiving core responsibilities, strict document control aligned directly with ISM Code requirements, and regular internal audits prior to external verification.
- **Passenger Vessel Regulations:** Highlights the heightened compliance burdens for passenger ships (carrying over 12 passengers), including mandatory ISM coverage regardless of tonnage, shorter safety certificate validities, and expanded Document of Compliance (DOC) audit scopes.

Furthermore, this Guidance Note provides a clear benchmark for acceptable DPA training courses. These are to be accredited by an STCW "white-listed" Flag State or Recognized Organisation (ABS, BV, DNV, ClassNK, LR or RINA) acceptable to Cayman Islands administration. They should be taught courses of at least 2-days duration covering the scope detailed herein.

1. BACKGROUND

1.1 The International Safety Management (ISM) Code was originally adopted by the IMO as Resolution A.741(18), in November 1993. This was implemented through SOLAS Chapter IX, “*Management for the Safe Operation of Ships*” and became mandatory by virtue of the entry into force of SOLAS chapter IX, on 1 July 1998. The ISM Code provides an international standard for the safe management and operation of ships and for prevention of pollution. The Code itself has received multiple amendments since its original inception and remains the basis of safe operational management of ships.

1.2 Ships subject to SOLAS Chapter IX are required to be operated by a Company that has been issued with a Document of Compliance (DOC), or with an Interim Document of compliance in accordance with Chapter 14.1 of the ISM Code. The Code requires that companies establish safety objectives as described in section 1.2 (Objectives) 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 (Functional requirements for a safety management system (SMS)) of the Code.

1.3 It is the overall intent of the ISM Code to support and encourage the development of a legitimate safety culture in shipping and ship management that provides a comprehensive and accountable system for working processes, which is specific to an individual company operation. Success factors are measured by the overall values, beliefs, commitment, and clarity of the safety management system, as well as by fulfilment of the ISM Code’s Objectives and Functional Requirements. Successful Safety Management Systems formally define, document, and implement, an organization’s actionable processes, and procedures. They also assign role responsibilities for achieving safety policies, practices, and objectives, and thereby routinely achieve compliance with mandatory rules, regulations, codes and guidelines both ashore and on board.

1.4 In accordance, ISM Code Chapter 15, Cayman Registry is routinely asked to carry out “preliminary reviews” and audits of new Safety Management Systems for companies seeking a Document of Compliance. Notably a wide variation has been observed when reviewing submissions, in the ability of some systems to meet fundamental general requirements, and the specific requirements of safety and pollution prevention. Common remarks often relate to long-winded dialogue with well-meaning but aspirational-only form, without the substance of strategic and practicable company processes and assigned responsibilities. This Guidance Note provides useful directions as to minimum form and content, and supporting material expected, to assist the successful development of a Safety management System. The following interpretations are put forward to assist development of SMS procedures accordingly.

2. THE IMO SAFETY MANAGEMENT CODE – CENTRAL INTERPRETATIONS FOR THE SMS

2.1 Objectives and Functional Requirements

2.1.1 The Safety Management System should be a structured and documented system that enables company personnel, both ashore and on board, to effectively implement the Company safety and environmental protection policy. The system should be documented and structured such that it can be logically reviewed against the requirements of the ISM Code to demonstrate compliance.

2.1.2 The Company SMS should fundamentally provide for methods of suitable and sufficient identification of risks (including risks related to cyber security) and establishment of safeguards against the same. Codes guidelines and standards should be taken into account (e.g. Code of Safe Working Practices for Merchant Seafarers - [COSWP](#)). Assessments should follow a generic assessment - task based assessment - toolbox talk - personal assessment pattern, as described therein. As a minimum at the documentary review stage of the SMS standard Generic Risk Assessments should be available as well as a process to implement further review and assessment.

2.1.3 Additionally, the practical means (e.g. tools being provided) for enabling identification of, and company procedures for ensuring compliance with, international and flag state legislation applicable to the ship, should be set out. This also includes taking into account applicable codes, guidelines and standards recommended by the IMO, ILO, Administration, Classification Society and industry organizations.

2.1.4 The objectives lay out clear guidelines for the development of an SMS that comply with this and the ISM Code's functional requirements. The Company's policy statement and acceptance are fundamental to this and the overall system. Some Companies may have a single policy statement while others may have several statements which together comprise the Company's safety and environmental protection policy. Importantly the policy statement(s) should practicably describe 'how' and 'by what means' the objectives of the Code will be met as well as serving to demonstrate and acknowledge the Company's overall commitment to its SMS and the ISM Code.

2.2 Safety and Environmental Protection Policy

2.2.1 The policy statement(s) should be clear and concise, with emphasis being placed on the Company's commitment to safety and the environment. It should identify the 'strategy' by which the Company aims to achieve its policy objectives and include methods to encourage improvement in safety awareness and safety management. The policy should also be clearly endorsed by the Senior Management and Directorship of the Company.

2.2.2 As a minimum, policy areas should cover: Safety & Environment, Drug & Alcohol, Energy /conservation, Security (incl. conflicts with safety), shore workers and Cyber Risk, taking account of mandatory requirements.

2.2.3 A 'strategy' should also be set out as to 'how' the policy(s) and SMS will be implemented, the staff posts responsible for implementation, and how responsibilities are cascaded through staff ranks ashore and on board.

2.2.4 The policy strategy may include (but not be limited to), for example:

- How the ISM Code Objectives and Functional Requirements are being addressed by the company.
- How the 'safe practices' either set out within the SMS or mandated elsewhere must be adopted by all.
- When risks are to be identified and assessed. How safeguards from such assessment will be implemented both physically and in procedure.
- How 'continuous improvement' in respect of safety management (ashore & on ship) is to be undertaken. Including preparation for safety & environmental emergencies.
- How mandatory rules and regulations may be identified and adopted (i.e. what tools and support will be available through the SMS, how updates are promulgated).
- How the application of IMO Codes, Guidance and Standards should be considered. How Classification and other industry practices should be considered under the SMS.
- How the strategy for 'implementation' of the SMS is to be made at all levels of the organisation (including how the acceptance of responsibility for that implementation is achieved between both shore & ship personnel).

2.3 Company Responsibilities and Authority

2.3.1 The Company SMS should ensure that the owner fulfils the requirement of section 3.1 of the Code and that the full name and details of the ISM Company is reported to the Administration (and periodical status updated as necessary). For Cayman Islands vessels the [Notice of assignment of responsibilities under the ISM Code](#) should be completed by the relevant parties and returned to this Administration in a timely manner (email: technical@cishipping.com). The Company SMS should set the process out for fulfilling this when onboarding or offboarding vessels.

2.3.2 ISM companies should be bona fide single-entity organizations with sufficient resources, including capital reserves, enabling them to carry out day-to-day operations through a dedicated shore-based maritime infrastructure capable of providing real-time support to vessels under management. The company must be able to demonstrate a verifiable 'physical' presence and operational address(es), personnel framework and responsibility path to company directors, with qualified operational marine roles sufficient to serve the number of vessels under management. Responsibilities and authority within the company should be clearly documented to enable personnel involved in the SMS to understand what is expected of them and to ensure that the safety and environmental functions have been allocated. The Company's documented management system should transparently outline the company overall profile, descriptions of the responsibilities and authorities together with the reporting lines of personnel within the company structure. Schematics or flowcharts to document lines of authority and inter-relations between roles are an acceptable method for inclusion. Where activities and responsibilities are divided between multiple offices, the wider company profile and lines of responsibility should be set out alongside the IMO registered entity in order that audits can be undertaken successfully, and complete certification can be provided covering the company's activities.

Utilization of 3rd-party resources where applicable should also be transparently documented, including responsibility interfaces between companies, and the means of their oversight set out. Company offices without ISM responsibilities should also be clearly documented for transparency purposes, and indicated as such.

2.3.3 It should also be established that the Company and its top-level management are committed to providing the support necessary for the Designated Person Ashore (DPA) to fulfil their duties. Where a company has taken on the duties under the ISM Code, but owner-control is still partially exercised over a vessel (e.g. fiscal, operational), sufficient safeguards should be in place and documented to ensure the continuance of the SMS in all circumstances to prevent breaches of compliance. Relevant documentary provision should be established between the DPA, management board and owner(s) accordingly. Funding should also be established for compliance and safety training activities, supported at management level.

2.4 Designated Person Ashore

2.4.1 The task of implementing and maintaining the SMS is a management responsibility, however, the DPA holds a key role in the monitoring process. DPAs should be suitably qualified (refer to MSC-MEPC.7/Circ.6), experienced in ship operations or management systems and be fully conversant with the Company's safety and environmental protection policies and SMS. Copies of DPA and DDPA qualifications should be provided to the Administration for review at the outset and on any occasion of change. DPA/ Captain rotations should not be put forward in lieu of the above.

2.4.2 In the current absence of an "IMO Model Course" for DPA and DDPA training, for consistency, certification in accordance with MSC-MEPC.7/Circ.6 should be provided by training centers that have been formally accredited by an STCW "white-listed" Flag State or Recognized Organisation (ABS, BV, DNV, ClassNK, LR or RINA) acceptable to Cayman Islands administration. It should be at least a 2-day taught course to be of value; covering subjects such as:-

- International Safety Management (ISM) introduction
- The external view of the status of the ISM code
- Mandatory rules, regulations and other applicable industry guidance
- Audit requirements and techniques
- DPA - requirements and responsibilities
- Human factors and ISM
- Issues for the DPA role holder
- Performance management and KPIs
- Reporting, analysis and actions
- Port State Control and PR17 issues
- Effective training and drills
- Safety culture and human element issues
- Legal issues
- Risk assessment
- Self-preservation
- Management of change

Examples of acceptable courses are:-

1. DNV 'Designated Person Ashore (DPA) Training Course' – 2 days
2. LR 'ISM and the Designated Person Ashore' – 2 days
3. Warsash Maritime School 'Designated Person Ashore' (UK MCA approved) – 21 hours

2.4.3 It is essential that the DPA has the independence and authority to report to the highest level of management. If multiple persons are appointed as DPA, a hierarchy should also be clearly established to avoid excessive points of contact.

2.4.4 In order for any system of management to be adequately maintained it is essential that it is monitored at regular intervals. The DPA's responsibilities should include and ensure that:

- Implementation is verified.
- Deficiencies are reported.
- Those responsible for corrective action are identified and that appropriate action is taken.

2.4.5 Company outsourcing of DPA services is not encouraged and the default position of the Administration is that the DPA is an internal company role. Where a company needs to outsource, consideration and acceptance of the Administration should be obtained in writing. In such circumstances, companies must also demonstrate:

- That there is a genuine reason for outsourcing the DPA role.
- That conflicts of interest will be avoided and that the intent of SOLAS IX and the ISM Code will be fulfilled.
- That other commitments and ready-availability circumstances of the DPA is unlikely to adversely affect the role. That there is a process for ongoing review of this.
- That communication channels with the DPA will be readily available.
- That the scope of the delegated authority and resources available to the DPA is clearly laid out.
- That the circumstances in which the most senior levels of management expect the DPA to report to them is laid down.
- That the DPA carries sufficient protection and indemnity insurance and that this is auditable.
- That all communications between the DPA and other parties are accessible, retrievable by the Company, and that an independent process for auditing this exists.
- That the company's fleet size and complexity is unlikely to adversely affect the above.
- That the overall arrangements are acceptable to the Administration.

2.4.6 For Passenger Yachts and Passenger Ships, also see the further requirements in section 3.0.

2.5 Master's Responsibility and Authority

2.5.1 The responsibility for overseeing and implementing all relevant aspects of the Company's SMS on the vessel rests with the master. Clear guidance should be provided to masters in the SMS concerning their responsibility on matters affecting the safety of the ship, its passengers and/or cargo and the environment. Guidance should also be provided by the company regarding the conduct of SMS reviews.

2.5.2 Masters are entitled to expect support and encouragement from the Company. There must be a clear statement in the documented management system that the master has overriding authority to deviate from this in time of crisis and seek assistance from the Company if required. Both statements must be clear and unequivocal with the appropriate emphasis placed on the master's overriding authority.

2.6 Resources and Personnel

2.6.1 The Company has a clear responsibility to employ properly qualified and medically fit seafarers. In addition to ensuring that shore-based personnel are properly qualified and trained for their role in implementing the SMS, copies of certificates may be held on file in the office, or it may be necessary to have a random sample of certificates e-mailed periodically from a cross section of the fleet. Some companies maintain electronic databases as opposed to a paper filing system. Shore based personnel should be designated to validate seafarer certification periodically.

2.6.2 For Passenger Ships and Passenger Yachts, the additional requirements of STCW (e.g. STCW/Reg. V/3, Crowd Management, Crisis Management and Human Behavior) should be established for this type of vessel.

2.6.3 For the Master to be fully conversant with the SMS sufficient physical 'briefing' and 'presentation' should be undertaken by the company covering the scope of the system prior to signing on. Records of this briefing should be established. It is not considered sufficient familiarization for a master to simply read and sign, as this is likely to be an unreliable approach to learning reference-type material and is open to maladministration. The ISM Code 6.1.2 requirement is separate to general familiarization in ISM Code 6.3.

2.6.4 The Company should also establish procedures to ensure that new personnel and personnel transferred to new assignments related to safety and protection of the environment are given proper familiarization with their duties.

The Company should therefore provide written instructions to the master regarding the policies and procedures to be followed, ensuring newly recruited seafarers are familiarized with their duties before they are assigned tasks on board. The shipboard familiarization process should allow sufficient time to become properly acquainted with:

- Emergency / evacuation procedures and arrangements to perform assigned duties;
- Ship specific duties related to the role the seafarer will fulfil on-board; and
- Ship specific knowledge of any safety and environmental protection procedures with which the seafarer should be acquainted.
- Crowd management practice for applicable personnel serving on passenger ships.

A knowledgeable crew member should be designated to ensure that newly recruited seafarers are made aware of essential information in the language they understand. Records of familiarization should be maintained.

2.6.5 While the ISM Code does not introduce new legislative requirements, the SMS should facilitate compliance with all existing international conventions, national rules and regulations, industry guidelines and codes of practice. However, this may not be straightforwardly executed in all cases without referral. The SMS therefore should encompass and encourage knowledge and consistency of standard operational practices (for example: Code of Safe Working Practices for Merchant Seamen, the ICS Bridge Procedures Guide, ICS Engine Room Procedure Guide, SOPEP, Flag state guidance etc.). Additionally, the SMS should promote further specific database tools for use ashore and on board to more widely interrogate national and international legislation and provide for relevant subscriptions to support general compliance practices. Supporting compliance tools and documents should be made available through the SMS to all relevant personnel and compliance officer role(s) should be established for practicality.

2.6.6 The means of identifying the ongoing training needs of individuals (including refreshers), both ashore and seagoing, should be addressed by the Company's SMS. This may be achieved by staff appraisal, the end of contract report for seagoing staff, results of internal audits, drills, analysis of accidents, etc. Training requirements could be met by refresher training courses and on the job training. A system of review should be established and responsibilities assigned.

2.6.7 The SMS, in whatever form, must also be available to all personnel, both ashore and seagoing. It is the Company's responsibility to ensure that the manuals and documentation are provided in a language(s) understood by all crew members on board.

2.6.8 The ability of crew members to communicate effectively is essential to the safety of the ship. The SMS should contain procedures to ensure that this is assessed at the recruitment stage. The Company should ensure that there are procedures to cover evaluation of verbal and written language skills prior to sign-on, especially where the working language is not the first language of the seafarer. Provision should be established where sufficient doubt exists for formal proficiency testing (e.g. Marlins test or equivalent).

2.7 Shipboard Operations

2.7.1 The company SMS should establish the key shipboard operations and ensure that procedures and instructions are available for carrying out these operations. While shipboard operations will vary depending on ship type, it is suggested that plans and instructions for the following operational categories are documented:

- General shipboard operations.
- Port operations.
- Preparation for sea.
- Conduct of the voyage.
- Preparation for arrival in port.
- Emergency response organisation; and
- Maintenance periods, including dry-dock (also see CoSWP Ch. 34)

2.7.2 Operational procedures and instructions should cover standard Bridge, Deck and Engineering activities. Generic procedures may be adapted from recognized industry publications (e.g. ICS Bridge Procedures Guide, Engineering Procedures Guide, CoSWP etc.). Generic procedures should further be adapted to task specific operations on board, subject to maintaining the overall consistency of the SMS.

2.7.3 The SMS should additionally include for operational activities:

- Completed Risk Assessments
- Permits to Work for all statutory high-risk categories which are consistent with CoSWP Chapters 14 (see Annex 14.1) and 15

2.7.4 Protocols for ships entering maintenance periods (including at lay-by berths) and drydock should be established in a written demarcation of HSEQ responsibilities between ship and shipyard, including but not limited to:

- Berthage and shore support facilities,
- Shore utilities
- Gas-free certification and confined space entry protocols
- Shore-side fire protection
- Waste management
- Dry-dock stability requirements
- Lock-out/ Tag-out protocols
- Safety patrols
- Crew safety and PPE
- PTW systems and cross-signing protocols
- Emergency response coordination
- Periodical Safety meetings during the maintenance period

2.7.5 Additionally, for Passenger Ships, procedure should be established for the following:

- Operation of watertight doors during navigation (in accordance with MSC.1380 as amended)
- Adherence to operational limits (see Statement on Operational limitations)
- Passenger Muster

2.8 Emergency Operations

2.8.1 SMS procedures should integrate the responses to potential emergencies of shore-side and shipboard operation and provide a structured contingency system for emergencies. Guidance is available in A.1072(28) "Revised Guidelines for a Structure of an Integrated System of Contingency Planning for Shipboard Emergencies." Contingency plans should be formalized and may include but are not limited to:

- The role and responsibilities of shore and ship personnel during an emergency.
- A list of names and contact numbers of all relevant parties.
- Procedures to be followed in response to varying emergency scenarios.
- Procedures for communication between ship and shore.
- A database of plans, particulars of vessels, emergency response capabilities, damage stability information and pollution prevention equipment.
- Checklists for a range of emergencies (the use of checklists is strongly encouraged);
- Procedures for notifying next of kin.
- Guidelines for liaising with the press and media; and procedures for requesting emergency services from third parties.
- For Passenger Ships and Passenger Yachts, procedures should be established for Search and Rescue (SAR Plan), rescue of trapped passengers, and passenger information in addition to the above.

2.8.2 Emergency scenarios for which contingency plans might be developed, include, but are not limited to:

- Structural failure.
- Main engine failure.
- Failure of steering gear.
- Failure of electrical power.
- Collision.
- Grounding.
- Shift of cargo.
- Pollution (spillage of oil or other cargo).
- Fire.
- Lithium Fire (High temperature, toxic off gassing, flare, energy-sustained burn, flash fireball, explosion)
- Flooding.
- Abandon ship.
- Man overboard.
- Entry into enclosed spaces.
- Terrorism or piracy.
- Helicopter operations for medical evacuation.
- Heavy weather damage; and
- Treatment of serious injury.

2.8.3 A drill program should also be established to exercise the emergency plans listed above and where appropriate, mobilize the shore-side emergency contingency plans. Drills should be carried out regularly in order to test the Company's emergency response organisation and the competence of those who will be called upon in a real emergency. The ability of the personnel ashore to respond to emergencies should also be tested periodically. Records of all drills and exercises should be retained and made available for examination. In the event of the Company having to respond to a real emergency this may be considered in lieu of an exercise drill, providing that records have been retained and analyzed.

2.8.4 Extended drill programs should be established for Passenger Vessels and Passenger Yachts in accordance with respective requirements of SOLAS, in addition to 2.8.3, where applicable.

2.9 Reports and Analysis of Non-conformities, Accidents and Hazardous Occurrences

2.9.1 The SMS should contain procedures that require reports to be prepared and forwarded to the Company on all accidents, hazardous occurrences and non-conformities. They should be monitored by the Designated Person Ashore (DPA) and the appropriate corrective action agreed in order to avoid a recurrence of the incident or non-conformity. Any deviation from the SMS procedures and instructions, that represents a non-conformity, should be recorded, raised on a non-conformity note and forwarded to the DPA. The system should be designed to allow continual updating, amendment and improvement due to the reporting procedures. The reports should be recorded, investigated, analyzed and acted upon as necessary. There should additionally be procedures for reporting feedback to the ship and for circulation around all appropriate areas. Motivation is a significant factor in the success of the management system and feedback is a powerful motivator. Feedback should be recorded as evaluation and analysis may lead to:

- Identification and implementation of corrective action.
- Benefits to the whole company.
- Amendments to existing procedures; and
- Development of new procedures.

2.9.2 'Categorization' of each report should be provided to assist its handling. The following categories of reports should be expected:

- Accidents
- Hazardous Occurrences
- Non-Conformities

The SMS should clearly set out what, how and when reports should be made to the company.

2.9.3 The ISM Code further requires the above to be investigated and analyzed with the objective of improving safety and pollution prevention. SMS procedures should additionally be set out therefore regarding 'how' this is to be carried out (e.g. gathering information, analysis, identification of risk control measures and subsequent action plan for implementation) relevant to ship and shore-side. In reality, different levels of investigation and priority will be required dependent on the seriousness of the incident. The point at which company investigation is triggered in addition to on board investigation should also be established. For guidance on prioritization and investigation practice see useful information in [UK HSE's Investigating Accidents and Incidents Workbook](#), which can be adopted straightforwardly (except for RIDDOR which is replaced by CI flag state mandatory reporting requirements).

2.9.4 Additionally the responsibility for mandatory 'Statutory Reporting' to Flag and Port State should be set out in the SMS to avoid confusion, as it is separate to the above.

2.10 Maintenance of the Ship and Equipment

2.10.1 Procedures should be developed to ensure that maintenance, surveys, repairs and dry-docking are undertaken in a planned and structured manner with safety as a priority. All personnel responsible for maintenance should be suitably qualified and familiar with national and international legislation as well as classification society requirements. The SMS should also facilitate management's technical team ashore providing technical support and advice to the seagoing staff.

2.10.2 The foundation of maintenance procedures should be adoption of a Planned Maintenance System (PMS) which should be the fundamental tool from which work is carried out and from which any assessment of maintenance status can be made. All ships should be required by the SMS to have a functional PMS on board.

2.10.3 The minimum functional requirements of a PMS system (whether card-catalogue database or software based) should therefore be set out in the SMS and be capable of being systematically audited e.g.:

- (i) A mechanism for "centralized management" of all ship equipment and maintenance jobs.
- (ii) A common user interface between ship and shore, allowing communication, or common reporting process.
- (iii) Standard means of documenting, interrogating and following up both planned and unplanned maintenance tasks.
- (iv) A calendar 'and', 'or' a condition-based schedule defined for all tasks based upon manufacturer equipment manuals.
- (v) Equipment test schedules, including priorities for critical equipment stand-by arrangements and equipment or technical systems that are not in continuous use.
- (vi) Categorization of jobs and elements according to relevant criteria, such as critical, safety relevant, statutory/class relevant or other.
- (vii) A mechanism for stock counts and records in consideration of spare parts consumed for maintenance tasks, and provision for critical equipment.
- (viii) Lifecycle records of each equipment.
- (ix) Inventory of Hazardous Material (IHM) and mechanisms for technical 'and', 'or' safety management.
- (x) Defect records and PMS
- (xi) Mechanisms for exchange equipment for maintenance and overhaul without losing relevant information (e.g. liferafts)
- (xii) A centralized task list for onboard engineers, deck officers and shore support staff.
- (xiii) Onboard engineering staff should have the responsibility to ensure the PMS and tasks are up to date, and to promulgate regular reports of outstanding maintenance and defects.

2.10.4 The SMS should additionally ensure that PMS systems are populated and include the following categories (as a minimum):

- i. hull and superstructure;
- ii. lifesaving, firefighting and anti-pollution equipment;
- iii. navigational equipment;
- iv. steering gear;
- v. anchors and mooring equipment;
- vi. main engine and auxiliary machinery including pressurized systems;
- vii. loading and discharge equipment;
- viii. tank venting systems;

- ix. fire detecting and suppression systems;
- x. bilge and ballast pumping systems;
- xi. waste disposal and sewage systems;
- xii. communications equipment;
- xiii. emergency lighting; and
- xiv. gangways and means of access.
- xv. critical equipment - including regular testing.

2.10.5 Once the above is established, company superintendency oversight and on-board inspection and audit should then follow-up to monitor the extent of ISM compliance of the PMS. As a minimum the company should receive monthly reports to review the main machinery servicing against schedules, overdue machinery and equipment items and any important unresolved issues.

2.10.6 "Statutory deficiencies" and "conditions of class" should also be formally reported as they are received. Categorization and priority should be assigned accordingly based on the action code and timescale set out by the authority. The SMS should also assign responsibility for timely rectification action in line with the deficiency reports.

2.10.7 Further programs of company inspection should verify these practices on board.

2.10.8 Note that the scope and adequacy of a loose paper-based approach to maintenance against the general scope can theoretically be determined here also. Note also, however, that this Administration does not accept loose paper-based approaches as audits tend to show inadequacies and excessive risk generally as they tend to be unsystematic, prone to mishandling and risk incompleteness.

2.10.9 Maintenance procedures and schedules within the PMS should be based on manufacturer 'and', 'or' statutory requirements and include work instructions for ensuring that machinery or systems undergoing maintenance have been rendered safe prior to starting work i.e., that systems under pressure such as engine cooling water, oil fuel and steam and electrical systems have been securely isolated and de-pressurized.

2.10.10 Sufficient records, frequency of inspection/testing and maintenance procedures should be included to promote reliability, taking account of any statutory requirements.

2.10.11 In meeting ISM Code 10.1 & 10.2 the company should have procedures to verify the above. and to plan for inspections of its vessels to be carried out regularly. These inspections should be carried out in compliance with the appropriate procedures by competent and qualified personnel. Records of maintenance, inspections, certificates and reports may be maintained both on board ship and ashore if considered appropriate by the Company.

2.10.12 There should also be procedures for reporting non-conformities and technical deficiencies that should include a time scale for completion of corrective action. It is the Company's responsibility to ensure that reports are investigated, and feedback provided to the reporting officer.

2.10.13 Company officers should actively provide a supporting role to enable the SMS to function effectively. It is recommended that as a minimum, ships make monthly reports to the company regarding any outstanding PMS maintenance items and defects, in order that support can be prioritized.

2.10.14 It is also the Company's responsibility to identify critical systems and equipment within the SMS. Identification should follow a class-approved approach. Once the critical systems have been identified, procedures should be developed to ensure reliability of these systems or the provision of alternative arrangements in the event of sudden failure. The procedures implemented should include the regular testing of stand-by systems to ensure that one failure does not result in the total loss of that critical function. Routine maintenance should further include the regular and systematic testing of all critical and stand-by systems.

2.10.15 Section 10 ISM Code responsibilities cannot be waived by ISM DOC holder companies (e.g. technical management cannot be reasonably excluded from contract with an ISM vessel). DOC holders retain responsibilities under this section for vessels holding Safety Management Certificates under their Document of Compliance.

2.11 Documentation

2.11.1 Procedures should be in place for the control of all documentation, which should be approved prior to issue and assessed for its user friendliness. This is an essential element of any SMS. Personnel at all levels within the

Company should be familiar with the procedures and with the latest version of the documentation. Obsolete documentation should be removed from all locations, otherwise, there is the risk that superseded procedures may remain in use.

2.11.2 The Company's SMS and supporting documentation should encompass all elements of the ISM Code. The use of a matrix to identify relevant sections is a simple and effective method. The Company may consider appointing a person ashore with responsibility for control, amendment, approval and distribution of SMS documentation, which should be monitored by the DPA. On board ship, the master will ordinarily have control of the documentation but may adopt a similar approach, subject to similar controls.

2.11.3 Statutory certification and voluntary certification (where applicable) records for each vessel(s) must be further maintained to demonstrate continued fulfilment of mandatory requirements. This should include the Certificate, endorsement pages and any annexes (where applicable). Additionally statutory insurance certificate records should be maintained. Note that insurance should cover company's operational liability under the provisions of the relevant convention and that disclosure may need to be made to provide co-assured cover between registered ship owner and operator(s).

2.11.4 Protocols should be in place to manage both electronic certificates (and uncontrolled printed copies), and original documents.

2.12 Company Verification, Review and Evaluation

2.12.1 Internal audits should be conducted to verify that the SMS is functioning effectively, and schedules should be set out to achieve this. All sections of the SMS should be audited on a regular basis. The Company must complete internal audit procedures prior to requesting an external audit. Note that Resolution MSC.273(85) clarifies that the internal audit should not normally be exceeded, and the company should be able to explain the "exceptional circumstances" under which the audit could not be carried out.

2.12.2 Through the SMS the Company should also identify and evaluate any entities undertaking ISM-related tasks e.g. recruitment agency, maintenance contractor, etc. If ISM related tasks are delegated to another entity, there should be a procedure for recording evidence to demonstrate that their activities are periodically verified.

2.12.3 A periodic review of the SMS should be undertaken by the Company's management. This review should form part of the safety management strategy of the Company and should be conducted in accordance with documented procedures. Minutes of the management review meetings should be recorded and corrective actions allocated to appropriate members of the management team with a view to improvement. The management review should provide an opportunity for a critical review by the Company and ship, of the performance of the SMS over the past year, or other period. Audit reports, inspection reports, non-conformity reports, accident reports, risk assessments, permits to work, near miss reports, deficiency lists, complaints, etc., should be reviewed with the objective of identifying trends, root causes, areas of concern, etc., with a view to continually improving the operation of the SMS both ashore and on board.

2.12.4 Procedures and instructions for carrying out internal audits should be incorporated into the SMS and the audits should be conducted according to these procedures. Checklists are useful as an aid.

2.12.5 Internal auditors should be independent of the operation being audited. However, this may not always be possible in small companies with limited management resources. Wherever practicable, the auditor should not normally be involved in the working of the area being audited. Personnel carrying out internal audits should have received appropriate training.

2.12.6 It is important that the results of the audits are brought to the attention of the personnel responsible for the area, for example, a finding in the engine room should be brought to the attention of the Chief Engineer. Procedures should be set out for this, and copies of vessel audits should be retained on board.

2.12.7 To improve the SMS, it is also important that the results of the Company's internal audits and reviews are promulgated to all persons with responsibility for the SMS. Findings, conclusions and recommendations should be recorded. The people with responsibility for that area should take timely corrective action. The SMS should contain relevant instruction accordingly.

3.0 ADDITIONAL REQUIREMENTS ON PASSENGER YACHTS AND PASSENGER SHIPS

3.1.1 While both ships carrying <12 passengers, and passenger vessels (Passenger Yachts and Passenger Ships >12 passengers) must comply with the International Safety Management (ISM) Code, their Safety Management Systems (SMS) should differ due to the number of people on board and the nature of the risks involved.

3.1.2 The primary differences in ISM applications therefore requiring due recognition will include:

- **Tonnage Thresholds for Compliance:** The ISM Code is mandatory for all passenger vessels, including high-speed craft, regardless of size, if they carry more than 12 passengers on international voyages. For other ships engaged in trade, it only becomes mandatory at 500 gross tonnage (GT) and upwards.
- **Human Element & Crowd Management:** Passenger vessel SMS' must include specific procedures for crowd management and crisis management during emergencies, such as evacuation, mustering and marshalling of large numbers of non-crew members. This is in addition to the more general technical safety and operation-specific hazards.
- **Emergency Response Training:** Crew on passenger vessels are subject to additional training requirements under the STCW Convention, which should be clearly integrated into the SMS, including specialized emergency drills for passenger evacuation and assistance.
- **Certificate Validity:** While all ships to which the ISM Code applies receive a Safety Management Certificate (SMC), passenger vessel safety certificates are typically valid for only one year, whereas many cargo ship safety certificates have longer durations subject to regular surveys. The SMS must be able to effectively address reduced survey/ audit and certification timescales effectively.
- **Documentation & Logs:** Passenger vessels will require more extensive record-keeping regarding public safety, sanitation, and life-saving equipment inspections due to the higher volume of lives at risk.
- **Passenger Operation Focus:** Passenger vessels operate on strictly scheduled voyages or charters with high crew-to-passenger interaction, requiring enhanced SMS public policies on alcohol, behavior, and passenger medical care. This is in addition to the more regular focus on general ship operation, stability, and environmental protection from pollutants like oil or chemicals.

3.1.3 When a company operates both passenger vessels and other vessel types, the Document of Compliance (DOC) audit process becomes more complex, as the DOC explicitly lists every ship 'type' for which the company is certified and for which different requirements will be relevant. The SMS must clearly distinguish and demonstrate an understanding of the differences between types and respective requirements. Key audit requirements for dual-type operations may include:

- **Scope of Ship Types:** The DOC specific to the ship types operated. If a company manages both, auditors must find objective evidence that the Safety Management System (SMS) is being effectively implemented for both categories and positive reporting confirmations made.
- **Audit Duration:** Audits for passenger ship operations may become longer and more intensive. For example, a DOC annual audit for non-passenger vessels may take 6–8 hours, whereas for passenger vessels, may take 8–16 hours considering fleet size and tonnage.
- **Sample Verification:** During the annual DOC audit, the auditor must examine statutory and class records for at least one ship of each type listed on the DOC to ensure the SMS is functioning across the entire fleet and ship types, respective to the different requirements.
- **Flag State Authority:** For companies with multi-flagged fleets, some administrations mandate that they personally conduct the audit if passenger ships are involved, rather than delegating it to a Recognized Organisation (RO) like a classification society. The SMS must clearly understand external audit requirements of each flag state.
- **Adding New Types:** If an 'Other Ship'-only company adds a passenger ship, it must undergo an interim audit to update its DOC. An interim DOC for the new type is typically valid for 12 months while the company gathers evidence of full implementation of the new status.
- **Internal Audit Requirements:** The company must perform its own internal audits of both the shore office and all ships at intervals not exceeding 12 months, also taking account of the above.

3.1.4 When auditing a company that manages passenger vessels, auditors should look beyond standard checklist factors. Because the "cargo" is human, more focus should be geared toward emergency readiness and human factors. The following is a non-exhaustive list of additional areas required in the SMS:

(i) Emergency Preparedness & Drills

- Enhanced drill requirements: e.g. Pax. briefing & muster before departure; Fire & abandon (weekly); WT doors test (weekly); LLL (weekly); DLLR launch/train (4 monthly); MES training (2 yrs); Damage Control (3 monthly).
- Realistic Drill Scenarios: Knowledge of Muster List duties and variation of drill scenarios (e.g., avoidance of always practicing fire in the crew areas but never in a passenger areas).
- Operational and Emergency Requirements: Statement of Operational Limits, MDSS; SAR Plan; Watertight doors: MSC1380
- Muster and Accountability: SOLAS Compliant Muster List. Avoiding gaps in the system for counting passengers during a simulated evacuation (e.g. specifically failing to account for "missing" people during the drill).
- Communication Failures: Measures to avoid internal communication breakdowns between the Bridge, the On-Scene Commander, and the Crowd Control teams.

(ii) Mandatory Training & Certification (STCW)

- Enhanced Training Requirements: STCW/Reg. V/3; Crisis Management & Human Behavior.
- Language proficiency requirements: Shore-based or shipboard staff ability to communicate safety instructions in the "working language" of the ship 'and', 'or' the languages understood by the majority of passengers.

(iii) Planned Maintenance and Knowledge of Life-Saving Appliances (LSA) and Tenders

- Passenger Vessel Specifics: Marine Evacuation Systems (MES) or specialized LSA launching appliances that are not found on other ship types. Passenger tenders.
- Public Address (PA) Systems: Protocols for use. "Dead zones" in passenger accommodation where emergency announcements cannot be clearly heard. Procedures to address shortcomings.
- Emergency Lighting: Maintenance and testing of low-location lighting (LLL) used to guide passengers to exit routes in smoky conditions.

(iv) Public Safety and Sanitation

- Health & safety: Health, safety and security protocols for passenger operations
- Sanitation: Ship Sanitation Certification

(v) Enhanced Safety Management System (SMS) and Risk Control Measures

- DPA/ DDPA Passenger Vessel Experience: Specific DPA/DDPA passenger vessel experience in fulfilment of Annex to MSC-MEPC.7/Circ.6 para. 3.1.3 and 3.1.6, and 4.1, to meet the requirement for a deeper understanding of unique high-capacity risks—such as mass evacuation protocols, LSA complexity, and enhanced risks that are rarely encountered in cargo operations.
- Companies are also strongly advised to ensure sufficient experience is available from roles within their organisation. For example: Consideration of personnel with ex Flag or Classification Society Passenger Ship survey authorization or ex seagoing officer at management level that has served on a seagoing passenger ship for at least 3 years. Additionally, it is expected that all senior shore-side staff will undertake a "Passenger Ship Safety Survey" training course delivered by a Recognized Organisation.
- Reducing over-complexity: Measures to reduce risk by ensuring avoidance of cumbersome 'paper-based' safety systems on passenger vessels that can become a "bureaucracy trap" generating lagging visibility, data integrity issues and compliance gaps.
- Subcontractor Control: Measures to ensure enhanced oversight of third-party staff (maintainers and concessionaires like spa, nanny, or other staff) who may not properly integrated into the ship's safety culture.

4.0 FURTHER GUIDANCE

4.1 The ICS publication [“Guidelines on the Application of the IMO International Safety Management \(ISM\) Code”](#) was written to help shipping companies comply with the code and it provides further practical guidance for designated persons ashore (DPAs) and crew to develop, implement and maintain an effective, user-friendly SMS.

3.2 It is recommended that in developing a Safety Management System that account is also taken of its content and that a copy is provided in the shipping company office and carried on board, for the guidance of shipping company executives, DPAs, masters and all other personnel – shipboard and shore-based – with ISM-related responsibilities.