

## ***Cabinet approves proposals enhancing Panama's leadership as a blue-green country***

- The Cabinet Council has approved the Ministry of Foreign Affairs' proposal for the incorporation of Panama into the International Solar Alliance (ISA).
- The authorization was given to bring the Convention on the Protection and Use of Transboundary Watercourses to the National Assembly for approval.
- The extension of the import tariff for hydraulic cement, which includes pulverized and colored cements for a further year, was approved.

The Cabinet Council has authorized the Minister of Foreign Affairs, Ms Janaina Tewaney, to submit to the National Assembly for ratification two international conventions that enhance Panama's leadership as a blue-green country worldwide.

The first bill is related to the approval of the Framework Agreement that incorporates Panama into the International Solar Alliance (ISA) and allows important opportunities for global cooperation, as well as the possibility of enhancing the country's leadership in renewable energy at the institutional, industrial, and technological levels.

The Alliance, launched in December 2015 during the Paris Summit (COP21) and formalized in Marrakech in 2016, offers opportunities to cooperate globally in the development of solar energy.

This Alliance includes the 1 billion-proposal through which the richest countries in solar energy-with financing and cooperation-help developing nations to produce 1 billion megawatts of solar energy for the benefit of 1 billion of the planet's inhabitants.

The Solar Alliance is currently made up of 90 countries around the world and Panama would be one of the first in Latin America to join the agreement signed by the government on 24 August 2022.

The Agreement, which must be submitted to the National

Assembly for consideration, is in line with the strategic guidelines of the energy transition agenda aiming at gradual and dynamic process of decarbonization, digitalization, decentralization, and democratization of the sector with production of cleaner and cheaper energy.

The Cabinet Council has authorized the Minister to submit to the National Assembly the bill approving the Convention on the Protection and Use of Transboundary Watercourses and International Lakes, adopted in Helsinki on 17 March 1992. By acceding to this Convention and its ratification by the Assembly, Panama reaffirms its status as a leader in environmental matters, as a blue-green country.

This Convention allows for better management of the transboundary waters that Panama shares with Costa Rica through the Sixaola River basin and shares this type of border with Colombia through a branch of the Jurado River.

Since the present government administration, Panama has established achievements in environmental matters that made it a leading green-blue country, mainly by increasing marine protected areas by 30%; the condition of being one of the world's carbon negative countries; it has also taken action to curb deforestation and increased forest cover by 3% throughout the national territory.

The Cabinet Council also approved the extension until 31 December 2023 of the import tariff on hydraulic cements, that include unground cements or clinker, including colored cements, by setting the import duty on these goods at 30%.

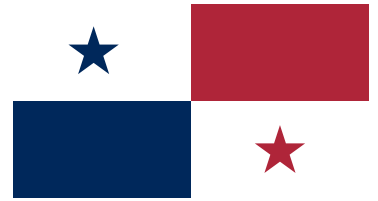
The measure is adopted to support the economic reactivation that the country is experiencing, particularly for the construction sector, encouraging cement production and consumption.

In addition, with this extension, the Government adopts the necessary measures to protect the industries, guaranteeing sources of employment and contributing to the gross domestic product and the national treasury.





# UPDATE



## *The Panama Ship Registry continues to adapt its processes for 2023*

The Panama Ship Registry continues its leadership position worldwide, ranking first among the 10 most important merchant fleets by flag registry and gross tonnage, according to the latest World Fleet Monitor from the Clarksons Research database.

According to the Clarksons platform, Panama had 16% of the world's maritime fleet at the end of December 2022 with 8,650 registered vessels, which represented 245 million GRT.

The international market and the maritime industry continue to choose the Panama Ship Registry, because it has the support of an entire nation, being a Government Registry, administered by the Panama Maritime Authority (AMP), which provides and guarantees to ship owners and their fleets.

In addition, it offers recognized assistance 24/7 services to its clients, adding to that the legal security, diplomatic and judicial advocacy differentiates the Panama registry from all others.

It has been serving the world for more than 100 years, with experience and tradition promoting world maritime trade and favoring development, where its experience serves as a key tool in providing quality service to its clients.

The Panama Registry has understood the role it is called upon to play, always seeking to improve in terms of its competitiveness, adaptability, and international compliance. In fact, Panama has improved its retention, increasing it to 31% achieving a percentage growth of 3.4% in the year 2022, impacted by a world crisis, less construction of ships in primarily Panamanian markets and not mention a war, which are social and economic factors directly affecting this particular market.

During the current Administration, international compliance has been prioritized, digitization together with platform improvements, customer services oriented business model, reengineering, modernization of processes, and incentives, aimed at the use of new technologies, environmentally friendly fuels, and ships with good conduct. All these actions have had a positive impact on the quality of our fleet, which from 2019 to

date reflects a growth of 27.9 million GRT and the entry of 567 more ships, according to IHS Market data, this is in the middle of the clear-out process, however, the Panama Registry continues its path and continues to introduce its required mechanisms in order to continue to be a service provider to the world.

As part of the Technological Innovation, a significant investment has been made since the beginning of this Administration, in the improvements to the existing registration platforms for the registration of ships and the E-Segumar platform for the issuance of technical certifications of ships, achieving a friendlier and easier experience for the user, as well as the new Maritime Processing System platform and Electronic Ship Registration (REN), a project plan that should continue during 2023.

Panama demonstrates its commitment to the environment, by promoting the construction of 'Eco Friendly' ships, with its special incentives for Eco Ship and New Construction, in the same way we seek to encourage the support and investment of companies, so that the economic impact that represents the improvement of ships in environmental issues is less and shared among parties of the present industry.

The expectations of the Registry are positive for 2023, one of our pillars is the modification of Law 57 of August 6, 2008 "General of Merchant Marine", which advances steadily through a work group made up of various actors of the maritime sector and whose goal is to collaborate together in the comprehensive review of the regulations related to the Panama Ship Registry, to increase its competitiveness.

This review elevated to Country Strategy, seeking onto a clear, transparent legislation foundation, with competitive rates and diligence in the processes, in this way we will achieve sustainable growth activity.

By 2023, the Panama Maritime Authority continues to implement new technologies in all the operational directorates within the Registry, in order to continue providing quality in our service as well as international compliance.





## ***Panama states position of zero tolerance for fishing vessels linked to illegal fishing***

Panama's Ministry of the Presidency has issued Executive Decree 245 of 21 November 22, that orders immediate removal from the Panama Ship Registry of vessels for which the Panama Maritime Authority (AMP)'s Directorate General of Merchant Marine has reasonable grounds to consider they are linked to Illegal, Unregulated and Unreported Fishing activities (IUU), to comply with Panama's commitments under the United Nations Convention on the Law of the Sea (UNCLOS).

The measures are:

- Cancellation of vessels for which the Panama Maritime Authority (AMP)'s Directorate General of Merchant Marine (DGMM) has reasonable grounds to consider the vessel, its owner, owner, operator, charterer, charterer, captain, beneficial owner, or any other natural or legal person related to it, have carried out illegal, unreported and unregulated fishing activities or have made a transfer, relationship, association and/or connection with vessels, natural or legal persons related to these illegal activities.
- Annul the International Service Navigation Patent and any document related to navigation issued by the DGMM.
- Deny any procedure that is in process at the Panama Maritime Authority and consequently, it will not be possible to request the issuance of any document for such vessels, either during the cancellation process or after their definitive cancellation from Panama's Merchant Marine.
- Panama-flagged vessels for which the DGMM of the Panama Maritime Authority has reasonable grounds to consider they have incurred in IUU activities, will be cancelled immediately.
- If the vessel subject to cancellation based on this Executive Decree, has one or more mortgages registered in the Panama Maritime Authority's General Directorate of Public Registry of Ship Ownership, the Directorate General of Merchant Marine (Panama Ship Registry) shall give notice by the means, to proceed with the cancellation of these.
- The cancellation resolution issued based on this Executive Decree, shall be immediately notified to the resident agent of the vessel, owner, owner, owner, operator, charterer, charterer, master, beneficial owner, or any other natural or legal person related to the same, by written communication by email, or any other electronic means, to the physical address, post office box or email address that appears in the Directorate General of Merchant Marine.

This mechanism or legal instrument was necessary to strengthen the performance of the Panama Ship Registry and is in line with the actions already implemented in relation to due diligence, purging of the registry, and compliance of the Panamanian fleet, said Rafael Cigarrausta, director general of the Merchant Marine.

The Decree explicitly prohibits the following:

- The registration in the Merchant Marine of the Republic of Panama of vessels linked to INDNR.



- SHIP TO SHIP (STS) transfers to or from Panama-flagged vessels with vessels that have had their registrations cancelled by Panama's Merchant Marine Directorate for being linked to Illegal, Unregulated and Unreported Fishing activities (IUU).
- To the owners, operators, charterers, charterers, captains, and crew of Panama- flagged vessels, the carrying out of trade acts through Panama-flagged vessels and any other transactions, directly or indirectly with vessels, for being linked to Illegal, Unreported and Unregulated Fishing activities (IUU).
- Panamanian nationals, persons subject to Panamanian jurisdiction and entities incorporated to entities subject to Panamanian jurisdiction, to conduct or support business with vessels that have had their registrations cancelled by the Panama Maritime Authority (AMP)'s Directorate of Merchant Marine.

The Executive Decree highlights that the Aquatic Resources Authority of Panama (ARAP) is the State's governing body to ensure compliance and enforcement of national fisheries and aquaculture laws and policies, and establishes among its functions, to regulate, promote and implement technical and administrative measures and processes for the rational, sustainable and responsible use of aquatic resources.

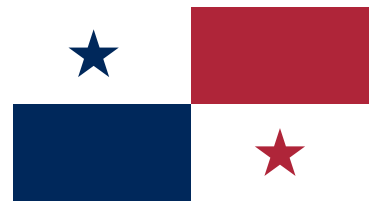
The ARAP's Administrator, Ms Flor Torrijos, said the decree is in line with the policy of President Laurentino Cortizo of "zero tolerance for illegal, unreported and unregulated fishing".

"The objective is to clean the registry of those vessels identified as violators or those belonging to economic groups of vessels described as INDNR," Ms Torrijos said.

With the enactment of Executive Decree N° 245 of 21 November 2022, the Panamanian Government confirms its commitment to be a guarantor of the State policy of Zero Tolerance to Unreported and Unregulated fishing.



# UPDATE



## *Work tour in Japan*

The Panama Ship Registry, through its 22 international technical offices and its 53 consulates worldwide, is visiting its clients to check upon customers' satisfaction and express its gratitude for the trust they place in the Panamanian flag.

The Ambassador of Panama in Japan and Consul General in Tokyo, Carlos Pere, together with Eng. Samuel Guevara head of SEGUMAR Tokyo, visited KYOEI TANKER CO., LTD., MMS Co., Ltd., IINO KAIUN KAISHA, LTD., NS United Kaiun Kaisha, Ltd., Inui Global Logistics Co., Ltd., among others.

The main topics of the visits were flagging, specialized technical attention, compliance, strengthening, implementation of constant improvements and attractive proposals of mutual benefit between clients and the Panama Ship Registry.

Panama remains the leading provider of flag services in Japan with a 46% presence in the country as the Panama Ship Registry offers important benefits to newly built vessels with environmentally friendly technology.

The Register is committed to being a strategic ally for shipowners, with global coverage at international level.



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## ***Biggest Coverage Worldwide***

Technical assistance and Customer Service  
through our 22 Technical offices and 53 Consulates



Panama Ship Registry



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## ***Panama and Euronav signed agreement to promote job opportunities for Panamanian seafarers***

The World's first Ship Registry of the World (Panama) and the shipping giant of tankers Euronav Ship Management (Hellas) Ltd., dedicated to the maritime transport and storage of crude oil, signed a Memorandum of Understanding (MoU) with the purpose of promoting opportunities for Panamanian seafarers aboard Euronav ships.

This MoU will continue to facilitate the promotion of job opportunities for Panamanian officers, cadets and junior personnel as well as the establishment of specialized maritime education and training programs for Panamanian seafarers who need to work on board the different vessels owned by Euronav or operated by it, including the recruitment and placement of officers, junior personnel, and cadets.

For Panama, the Panama Maritime Authority (AMP) signed the Agreement, represented by the Director of the General Directorate of Seafarers (DGGM), Captain Juan Maltez and by Euronav Ship Management (Hellas) Ltd., the General Manager, Captain Michail Malliaros, also present was the Ambassador and Consul General of Panama in Greece and appellant in Cyprus, H.E. Julie Lymberopoulos.

Euronav NV, together with its subsidiaries Euronav Ship Management SA and Euronav SAS are in charge of carrying out the management of the fleet that is dedicated to the oceanic transport and storage of crude oil throughout the world. The shipping company is positioned as a leader in the provision of this type of services, thanks to one of the most experienced crews in the sector, it also offers flotation, storage and unloading (FSO) services.

This renowned shipping company is pleased with the Panamanian seafarers who already work on their ships, which are approximately 200 (between Cadets and Officers) and are requesting more Panamanian personnel to fill new positions.



In addition to the signing of the MoU, audits were carried out at Maritime Training Centers (CFM) located in Greece. These inspections are carried out periodically to monitor the quality of the service that was delegated on behalf of the AMP, in search of continuous improvement. CFMs, which are interested in being recognized by Panama, were also visited.

The occasion was conducive to direct meetings with important clients, since the Panama Registry is made up of more than 8,500 ships, with the Greek market representing 7.4%, which needs to be attended, listened to, and above all, be informed first-hand about the strategies and adjustments that the Panama Maritime Administration has been carrying out, in addition to attracting new clients, for which a meeting was held with the owners of the Libero Group, Libero Group (LG) bringing together Libero Hellenic Register, Libero Assurance and Libero Services.

The General Manager of EURONAV, Captain Michail Malliaros, visited the International Maritime University of Panama (UMIP) and Columbus University, where he was received by their managers, giving him the opportunity to interact with the teaching staff and cadets, as well learning about its facilities, simulators, workshops, and training that is given in these houses of higher education.



## Electronic registration with just a ***Digital Token***





## *Panama participated in the Liquefied Gas and Alternative Fuels Senior Executive Forum*



Representatives of the Panama Maritime Authority have participated in the 6th Liquefied Gas and Alternative Fuels Senior Executive Forum organized by the Coast Guard's Liquefied Gas Carrier National Center of Expertise.

Among the attendees were the United States Coast Guard personnel, other government agencies and industry experts, who

discussed growth and use of liquefied gases and alternative fuels in the global maritime industry.

Speakers included Wayne Arguin, Joseph DeCarolis, Amy Beach, and Chris Wiernicki.



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### *Control and monitoring* (LRIT Reporting Data)

✓ **6,154 ships monitored**

As per SOLAS -Chapter V- Regulation 19/1  
Long Range Identification and Tracking of Ships

✓ **93% of compliance**  
5,703 ships

✓ **Weekly screening**  
Entire fleet under continuous  
control & monitoring

✓ **Compliance standard**  
85% - 95%



## *Working group makes significant progress on modifications to General Merchant Marine law*



The revision of Law 57 of 6 August 2008 General Merchant Marine, one of the pillar projects of the Panama Maritime Authority (AMP) current administration, is progressing steadily through a working group composed of various stakeholders in the maritime sector and facilitated by the University of Panama's Inter-American School of Social Dialogue and Tripartism (EI-DiSTReC), aiming at increasing the Panama Ship Registry's competitiveness.

This review, that has been elevated to 'Country Strategy', focus on a clear and transparent legislation that contributes to the sustainable growth of the activity.

The proposal contemplates a new flag procedure within the framework of competitiveness, compliance and technology that facilitates the registration of the vessel. Currently, progress has been made on the following:

- It will be possible to obtain the statutory patent with a unique number directly without having to obtain a provisional navigation patent.
- The regulatory navigation patent and the regulatory radio license for international service vessels will not have an expiry date, generating a benefit to the client, thus entering the line of competitiveness within the market. This, except for special circumstances depending on the type of vessel, a particular vessel, or the interests of Panama.
- The possibility of entering the application for the flagging of vessels by means of an interested party with sufficient power of attorney granted by the owner of the vessel is enabled.
- In the regulations related to the judicial sale, the additional concept of "Public Auction" is included to allow the possibility of the full cancellation of the vessel, not only in cases of sale ordered by a maritime court of justice, but also when the vessel has been sold at public auction carried out by an administrative authority.
- The form of notification within the administrative process of the Directorate General of Merchant Marine is modified to allow in a special way notifications by e-mail, instead of an edict on the mural in the Department of Resolutions and Consultations. This adjustment within the legal framework streamlines the processes for clients and for continued compliance as a Registry.

Panama as a State-owned Ship Registry requires international strategies of competitiveness that contribute to the sustainable growth of the activity, according to the international maritime industry with permanent market analyses to promote the registration in Panama's merchant fleet of new vessels and the retention of the registered tonnage leading to expand the framework for issuing waivers and/or economic proposals as deemed appropriate.

As part of the strengthening at international level, of legal certainty- a unique advantage of Panama, it is established that:

- Within the change of ownership procedure, it is established the obligation of prior registration of the title deed of the seller of the vessel.
- The legal security for mortgagees of vessels registered in Panama is reinforced, since the ex officio cancellation of the vessel will not affect the validity of the mortgage previously registered in the General Directorate of Public Registry of Ship Ownership of the Panama Maritime Authority (AMP).

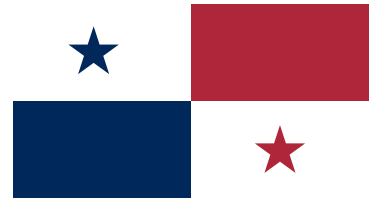
The working group is made up of various members of the maritime sector, unions and public entities such as the Panama Maritime Law Association (APADEMAR), the National Bar Association (CNA), the National Naval Air Service (SENAN), the Association of Panama's shipowners (ARPA), the National Association of Seafarers (CONAGEMAR), the Panamanian Association of Marine Officers (APOM), the National Chamber of Fisheries and Aquaculture of Panama, the Recognized Organizations (IARO), the Panama Chamber of Shipping (CMP), the Aquatic Resources Authority (ARAP), the Ministry of Foreign Affairs (MIRE), the Public Registry of Panama (RPP) and the Judiciary through the Maritime Courts.

On behalf of the AMP, participate the Directorate General of Merchant Marine (DGMM), the Directorate General of Public Registry of Ship Ownership (DGRPPN), the Directorate General of Seafarers (DGGM), the Directorate General of Ports and Auxiliary Maritime Industries (DGPIMA), the Legal Advice Office, the Directorate of Finance, among others.

The EI-DiSTReC of the University of Panama, an academic and scientific body specialized in the promotion of social dialogue, Tripartism and conflict resolution, has acted as a facilitator of this national dialogue.



# UPDATE



## Merchant Marine Circulars - December 2022

Title	Number	Update
Instructions for Payments to CSR and ISSC.	MMC-337	December 2022
Authorized Private Maritime Security Companies (PMSC) transiting High Risk Areas (Online application).	MMC-245	December 2022
List of Approved P&I Club/Insurers.	MMC-202	December 2022



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## Specialized Technical Assistance



Panama Ship Registry



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Panama Ship Registry



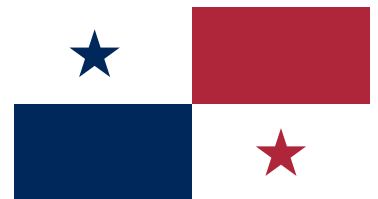
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# UPDATE



*Our 53 consular offices and 22 International Technical offices are 100% operational*

## 24/7



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