

Republic of the Philippines
Ministry of Agriculture and Food
BUREAU OF FISHERIES AND AQUATIC RESOURCES
Arcadia Bldg., 860 Quezon Avenue
Quezon City, Metro Manila

GENERAL MEMORANDUM)
ORDER NO. 10)
SERIES OF 1986)

SUBJECT: GUIDELINES FOR THE PROCESSING OF APPLICATIONS FOR BAREBOAT CHARTER CONTRACTS OF FOREIGN FISHING BOATS WITH ANY FOREIGN PERSONS, CORPORATION OR ENTITY WITHIN THE MINISTRY OF AGRICULTURE AND FOOD.

Pursuant to Section 21 of Presidential Decree No. 704 and Fisheries Administrative Order No. 121, the following guidelines are hereby promulgated for applying for bareboat charter contracts of foreign fishing boats with any foreign person, corporation or entity within the Ministry of Agriculture and Food.

- I. **Definition of bareboat charter** - A contract for the lease of the vessel for a stipulated period of time by virtue of which the lessee has complete possession and the master and crew of the vessel for the duration of the lease.

- II. **Eligible applicants**
 - A. A citizen of the Philippines, of legal age, or a 100% Filipino corporation duly registered with the Securities and Exchange Commission, the primary or secondary purpose of which is to engage in fishing.
 - B. A corporation duly organized under Philippine laws, 60% of the capital stock of which is wholly owned by citizens of the Philippines and duly registered with the Securities and Exchange Commission, the primary or secondary purpose of which is to engage in fishing.
 - C. Applicants under A and B must be actually engaged in commercial fishing in the Philippines, and as proof thereof has a commercial fishing boat license (CFBL) issued by the Bureau of Fisheries and Aquatic Resources (BFAR) in his its favor.

III. Procedure for new applications

A. Filing of application

1. All applications for bareboat charter shall first be filed with the Ministry of Agriculture and Food thru the Bureau of Fisheries and Aquatic Resources (BFAR).
2. Applicant (proponent) shall submit a letter of Intent to BFAR indicating the basic plan and brief information about the company and the foreign partner.

B. Evaluation of application

3. Upon receipt of the Letter of Intent, BFAR shall inform applicant of the requirements for evaluation purposes. At this stage, proponent shall submit to BFAR all documentary requirements enumerated in Annex I including the accomplished FA Form No. 1, Evaluation Form for applying for Bareboat Charter (Annex II). Applications with incomplete documentary requirements will not be accepted.
4. Should the proposal be deemed as conforming with the provisions of Section 21 of PD No.704, FAO 121, the Expanded Fish Production Program and the documentary requirements in these guidelines for applying for bareboat charter contracts with any foreign person, corporation or entity, the application shall be processed accordingly.
5. For those whose applications will entail requisition of vessels other than the gear/method they are presently operating, the application shall undergo a comprehensive evaluation of all documentary requirements for evaluation as listed in Annex I.
6. BFAR will evaluate all the documents if the same are in order. If so, BFAR will endorse the application to the Ministry of Agriculture and Food (MFA) and recommend for its approval enclosing thereto its comprehensive evaluation report on the joint venture proposal. If not, BFAR shall return to the proponent his application together with all the attached documents and cite the reasons for the rejection.
7. If the application is approved by the Minister (of Agriculture and Food) the same shall be endorsed by MAF to the Maritime Industry Authority (MARINA).
8. Only upon endorsement of MAF of said application to MARINA shall the latter release its authority to charter the vessel(s) and endorse the proponent's request for provisional certificate of Philippine Registry for the chartered vessel(s) to the Ministry of Foreign Affairs.
9. Approval of application within the Ministry shall take no more than fifteen (15) working days from the time it was accepted by BFAR until its approval by the Minister (of Agriculture and Food).

C. Issuance of Special Commercial Fishing Boat License (SCFBL).

10. After all above requirements are complied with, the proponent shall apply with BFAR for the SCFBL of the vessel(s) to be chartered.
11. The proponent shall submit the documents required by BFAR for issuance of the SCFBL as listed in Annex III.
12. If BFAR finds that the submitted documents are in order, then the SCFBL is issued. Application with incomplete documents will not be accepted.
13. Issuance of Special Commercial Fishing Boat License shall take no more than five (5) working days from the time all the required documents listed in Annex III are submitted.

IV. Procedure for renewal of charter contract

- A. All business entities given authority to enter into bareboat charter contract with any foreign person or entity shall be required to submit information on their project performance during the last five years prior to the renewal of the same. They shall be required to accomplish and submit five copies of FA Form No. 2, Performance Monitoring Form (Annex IV) for the five year period of their operation and all other requirements listed in Annex V.
- B. Immediately upon receipt of the said accomplished form, BFAR shall conduct an evaluation of the company's past operations and performance to determine whether it has complied with the terms and conditions to charter foreign fishing boats and in the SCFBL.
- C. If the fishing company has complied with all the terms and conditions set forth in A and B hereof, renewal of the charter contract is given due course otherwise, the application for renewal is rejected.
- D. Renewal of charter contract shall take no more than fifteen (15) working days from the time all the required documents in Annex V are submitted.

V. Procedure for renewal of SCFBL

- A. All business entities given authority to enter into bareboat charter contracts shall be required to submit information on their project performance during the preceding year prior to the annual renewal of SCFBL. They shall be required to accomplish and submit one copy of FA Form No. 2 Performance Monitoring Form (Annex IV) between January 1 to February 28 of every year including all the other requirements listed in Annex VI. All applications filed

after this period be subject to the corresponding surcharge in accordance with existing fishery laws, rules and regulations.

- B. Immediately upon receipt of the said accomplished form, BFAR shall conduct an evaluation of the company's past operations and performance to determine whether it has complied with the terms and conditions to charter foreign fishing boats and in the SCFBL.
- C. If the fishing company has complied with all the terms and conditions set forth in A and B hereof, renewal of the SCFBL is given due course; otherwise, the application for renewal is rejected.
- D. Renewal of SCFBL shall take no more than five (5) working days from the time all the required documents in Annex VI are submitted.

VI. Exemption

to the effectivity of this guidelines shall, however, be processed in accordance with the former procedure.

VII. Monitoring on joint fishing agreements

To continuously update its policies in joint fishing agreements a monitoring mechanism shall be provided by BFAR without interfering with the flow and bimetable of applications.

All orders, rules and regulations or parts thereof, inconsistent with the provisions of this General Memorandum Order are hereby repealed or modified accordingly.

This General Memorandum Order shall take effect fifteen (15) days immediately upon approval hereof.

Issued this 2nd day of December, 1986, in Quezon City, Philippines.

(SGD) RAMON V. MITRA
Minister
Ministry of Agriculture and Food

Recommended by:

(SGD) JUANITO B. MALIG
Director
Bureau of Fisheries and Aquatic Resources

ANNEX I

**REQUIREMENTS FOR APPLICATION AND EVALUATION
OF BAREBOAT CHARTER AGREEMENT**

	No. of Copies	
	BFAR	MAF
a) A letter of application or intent to charter, indicating the basic plan and brief information about the applicant and the foreign fishing boat owner	5	2
b) A copy of CFBL issued by BFAR in the name of the applicant	5	2
c) In case of 100% Filipino corporation with 60-40% equity participation, xerox copy of Articles of Incorporation and by-laws duly registered with Securities and Exchange Commission (SEC) the primary / secondary purpose is to engaged in fishing	5	2
d) Draft of unsigned charter contract with foreign company	5	2
e) Accomplished FA Form I Evaluation Form for applying Bareboat Charter	5	2
f) Statement of Financial Capacity or Certification from the Bank that applicant has deposited the required amount necessary to finance the project	5	2
g) Marketing agreement, if any	5	2
h) BOI Certificated of Registration for companies duly registered with BOI (optional)	5	2
i) B R Tax Clearance of applicant	5	2
j) Photos of each foreign fishing vessel size 8" x 10" showing the front, top and side views	7	
k) Accomplished BFAR Application Form Nos. 1 and 1-A charter agreement	5	2
l) Application fee which is not refundable in case of disapproval in the amount of P10.00 per gross ton but not to exceed P1,000.00		

ANNEX III

**REQUIREMENTS FOR ISSUANCE OF SPECIAL COMMERCIAL
FISHING BOAT LICENSE (SCFBL)**

	NO. of Copies BFAR
a) Approval by DAF/MARINA of charter contract	3
b) BFAR Application Form Nos. 1-C-1 and 1-C-2 duly accomplished and notarized	3
c) Temporary Certificate of Philippine Registry from Philippine Coast Guard (PGS)	3
d) Certificate of Inspection from PCG	3
e) License fee for vessel in cash as follows:	
– For each fishing boat below 100 gross tons	P1,000.00
– For each fishing boat 100 gross tons to 250 gross	3,000.00
– For each fishing boat over 250 gross tons	5,000.00

**REQUIREMENTS FOR RENEWEL OF BAREBOAT CHARTER
AGREEMENTS**

	No. of Copies	
	BFAR	DAF
a) A letter of intent to renew the charter agreement	5	2
b) Draft of unsigned charter contract renewal with foreign company	5	2
c) Duly accomplished FA Form No. 21, Performance Monitoring Form for Bareboat Charter	5	2
d) Original Charter Contract signed by the contracting parties and approved by DAF/MARINA	5	2
e) Statement of Financial Capacity or Certification from the Bank that applicant has deposited the required amount necessary to finance the project	5	2
f) Photos of each foreign fishing vessel size 8" x 10" showing the fornt, top and side views	7	
g) Accomplished BFAR Application Form Nos. 1 and 1-A for charter agreement	5	2
h) Application fee which is not refundable in case of disapproval, in the amount of P10.00 per gross ton by not to exceed P1,000.00		

REQUIREMENTS FOR RENEWAL OF SCFBL

	No. of Copies BFAR
a) Duly accomplished and notarized FA Form No. 2: Performance Monitoring Form	6
b) Duly accomplished and notarized BFAR application Form 1-C-1	5
c) Financial Report of fishing operations (preceding year)	5
d) Xerox copy of the latest unexpired Certificate of Inspection from PCG	5
e) License fee per vessel in cash as follows:	
– For each fishing boat below 100 gross tons	P1,000.00
– For each fishing boat 100 gross tons to 250 gross tons	3,000.00
– For each fishing boat over 250 gross tons	5,000.00