



Guidance For Classification And Construction

Part 6 Statutory

Volume A

GUIDANCE FOR THE AUDIT AND REGISTRATION OF SAFETY MANAGEMENT SYSTEM

2017

Biro Klasifikasi Indonesia

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Amendments to the preceding Edition are marked by red color text.

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Guidance Amendment Notice

These pages contain amendments within the following section of the Guidance.

These amendments will come into force as indicated in the table

Paragraph	Title/Subject	Status/Remark
<i>Section 1 – General Provisions</i>		
<i>The amendments are effective from Dec 2017</i>		
B	Equivalency	
B	No Title	To edit provisions of equivalency
C	Definitions of Terms	
C.1.3	No Title	To edit provisions DOC holder
<i>Section 2- Registration of Safety Management Systems</i>		
<i>The amendments are effective from Dec 2017</i>		
A	Registration of Safety Management Systems	
A.3.9	ISM Register	To add IMO Company number
<i>Section 4-Audit of Company Safety Management Systems</i>		
<i>The amendments are effective from Dec 2017</i>		
B	Initial Audit of Company	
B.2.5	Execution of Company Audit	To add provisions of the audit result
B.3	Action regarding Major/Non-conformities	To edit provisions of follow audit

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Foreword

This Guidance is published as supplements of BKI guidelines for the audit and registration of Safety Management System.

This Guidance contains the following 6 sections:

- Section 1 General Provisions
- Section 2 Registration of Safety Management Systems
- Section 3 Audit of Safety Management Systems
- Section 4 Audit of Company Safety Management Systems
- Section 5 Audits of Shipboard Safety Management Systems
- Section 6 Miscellaneous Provisions

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Section 1 General Provisions

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A. Application

(No further information required)

B. Equivalency

In case of transfer of statutory matters, any equivalency to be communicated and conducted with further instruction from Flag Administration. BKI shall review/approve company's SMS Manual and may request an additional audit to ensure that all requirements of the ISM Code satisfactory.

C. Definitions of Terms

1. The SMS defined in Section 1.C.1 of the Guidelines is to satisfy the following requirements (1) to (3):

- 1) The SMS should include the management of ship operation, maintenance and manning.
- 2) When a part of the management of maintenance or manning of the ship is entrusted or sub-contracted by the company to some other persons or Companies, the entrusted or sub-contracted services are to be incorporated in the SMS.
- 3) In condition that a ships is managed by other DOC holder either partially or wholly of a person or entity, the ship will be deemed as not being subject to ISM Registration.

2. Date of completion of audit

- 1) The date of completion of each audit described in Section 3.B.3 and Section 3.B.4 of the Guidelines is the last day of the audit. Even when non-conformities are found during the audit, a certificate may be issued or endorsed if it is judged that the company is prepared to take appropriate corrective actions to remedy such non-conformities within the prescribed period.
- 2) The day of completion of each audit described in Section 3.B.1 and Section 3.B.2 of the Guidelines is the day on which compliance with the provisions of Section 4.A and Section 5.A of the Guidelines is verified.

3. Date of ISM Registration

When a DOC or a SMC is issued for the SMS of the Company or ship on the day of completion of the Initial Audit described in Section 3.B.3 of the Guidelines, the day of completion of such an Initial Audit may be regarded as the date of the ISM registration. However, where an audit is carried out for the Company or the ship for the purpose of issuing an Interim DOC or Interim SMC as described in Section 3.C.1 of the Guidelines, the day of completion of each audit may be regarded as the date of the ISM registration.

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Section 2 Registration of Safety Management Systems

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A. Registration of Safety Management Systems

1. If a multiple number of offices are covered by the SMS of the Company being registered, all offices are to be indicated in the ISM Register.

2. The following items are to be noted regarding the ISM Register (DOC):

- 1) Company SMS Manual registration number and date of registration;
- 2) IMO company identification number;
- 3) Name and address of the Company and Branch office (if any);
- 4) Types of the ships under management of the Company; and
- 5) DOC certificate number and validity period.

3. The following items are to be noted in the ISM Register:

- 1) Ship SMS Manual and date of registration number;
- 2) Name and type of the ship;
- 3) Gross tonnage;
- 4) Port of registry;
- 5) Distinctive number(s) of the ship or signal letters;
- 6) IMO ship identification number
- 7) Name and address of the company;
- 8) DOC and SMC certificate number and validity period; and
- 9) **IMO company identification number.**

B. Maintenance of ISM Registration

(No further information required)

C. Documents and Certificates

1. Issuance of DOCs and SMCs

1.1 The following items are to be stated on the DOC:

- 1) DOC Number;
- 2) Name and address of the Company;
- 3) IMO company identification number;
- 4) Date and place of issuance of the DOC;

- 5) Period of validity of the DOC;
- 6) Completion date of the verification of the DOC; and
- 7) Type(s) of ship(s) under management of the Company.

2.2 The following items are to be stated on the SMC.

- 1) SMC Number;
- 2) Name and type of the ship;
- 3) Distinctive number(s) of the ship or signal letters;
- 4) Port of registry of the ship;
- 5) Gross tonnage of the ship;
- 6) Name and address of the Company;
- 7) IMO company identification number;
- 8) Period of validity of the SMC;
- 9) Completion date of the audit of the SMC;
- 10) Date and place of issuance of the SMC; and
- 11) IMO ship identification number.

2. Validity of DOC and SMC

(No further information required)

3. Interim DOC and Interim SMC

1.1 The items indicated on the Interim DOC or Interim SMC are to be in accordance with the procedures for completing documents and certificates set forth in C.1.

2.1 When issuing an Interim DOC or Interim SMC, the timing considered appropriate in Section 2.C.3.1 of the Guidelines refers to when the requirements of Section 4.A or Section 5.A of the Guidelines are satisfied.

4. Invalidation of Documents and Certificates

Any other classification society or issuing authority stipulated in Section 2.C.4.2.5 of the Guidelines means any classification society approved by the Administration or the Administration itself.

D. Retention, Re-issuance, Revision, or Returning of Documents and Certificates

1. Retention of Documents and Certificates

(No further information required)

2. Re-issuance of Documents and Certificates

Re-Issuance of Documents and Certificate application shall be attached by statement letter of lost from Police Department.

3. Revising Entries on Documents and Certificates

When the types of ships under the management of the Company decrease, as stipulated in Section 2.D.3.2 of the Guidelines, BKI is to verify such reduction.

4. Returning Documents and Certificates

(No further information required)

E. Termination of ISM Registration

1. Termination of ISM Registration of Company

The Company which had ISM registration withdrawn may apply for re-registration. The criteria of the DOC to undergo re-registration is to be determined giving due consideration to the conditions under which the ISM registration had been withdrawn.

2 Termination of ISM Registration of Ship

The ship which had ISM registration withdrawn may apply for re-registration. The criteria of the SMC to undergo re-registration is to be determined giving due consideration to the conditions under which the ISM registration had been withdrawn.

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Section 3 Audit of Safety Management Systems

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A. Conduct of Audit

Audits are to be conducted as described below:

- 1) Companies or ships wishing to undergo an audit of their SMS are to submit an application for an audit using the Application for Company/Shipboard Audit of SMS.
- 2) BKI is to determine the date of the Initial Audit, Periodical Audit, or Additional Audit, and notify the Company of the schedule accordingly.

B. Types of Audits

(No further information required)

C. Conduct of Audits and Timing

1 Audit for Issuing Interim DOC or Audit for Issuing Interim SMC

(No further information required)

2. Initial Audit

(No further information required)

3. Annual Audit

(No further information required)

4. Intermediate Audit

(No further information required)

5. Renewal Audit

(No further information required)

6. Additional Audit

6.1 When an Additional Audit is carried out in order to change the Interim DOC into a DOC as specified in Section 3.C.6.2 of the Guidelines with respect to an increase in the type(s) of ships under management of the Company, the audit is to take the form specified in the requirements of Section 4.B of the Guidelines. A DOC indicating the additional ship type under management is to be issued upon completion of the audit. However, the period of validity of the DOC is being the same as that of the old DOC.

6.2 The expression “when BKI deems such an audit to be necessary” mentioned Section 3.C.6.3 of the Guidelines means those cases in which BKI finds any evidence of major non-conformities or the like.

7. Follow-Up Audit

(No further information required)

D. Preparations for Audit

(No further information required)

Section 4 Audit of Company Safety Management Systems

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D.	Additional Audit of Company	4-3
E.	Follow-Up Audit	4-3

A. Audit for Issuing Interim DOC

1. General

(No further information required)

2. Documents to be submitted

2.1 The outline of the Company described in Section 4.A.2.1.5 of the Guidelines is to contain a description of such items as the organization, location of all offices, and number of employees (shore-based persons and seafarers) of the Company, along with a description of the types, flag state(s), and number of ships under management of the Company. Brief descriptions of the business activities of the Company may include, at a minimum, a summary of the principal cargoes and trade routes of the ships under its control and may be presented in the outline of the Company.

2.2 Additional explanatory documents and materials regarding the SMS are to describe the relationship among the company, the ships and the crew members in the SMS. It should also include such items as outlines of chartering and management contracts, etc.

3. Document Review

3.1 BKI is to notify the Company of the results of the document review of the SMS through a Report of Document Review¹.

3.2 When BKI decides to make a preliminary visit of the Company, consultations are to be held with the Company regarding the date of such visit and the items to be verified, which at least should contain following items:

- 1) The contents of the application;
- 2) The principal items described in the Safety Management Manual; and
- 3) The schedule of the Company Audit.

B. Initial Audit of Company

1. General

Verifying that the Company SMS is implemented in an effective manner refers to items (1) and (2) listed below:

- 1) The Company SMS has been implemented for at least 3 (three) months.

¹ For Indonesian flag, the language of the SMS Manual shall be submitted in accordance with Ministerial Regulation PM 45 Year 2012

- 2) At least 1 (one) ship of each type operated by the Company has been in operation under the SMS for at least 3 (three) months.

In addition, evidence of the effective implementation of the SMS is also to include an internal audit and management review by the Company.

2. Execution of Company Audit

2.1 The schedule of the Company Audit should be discussed with the Company beforehand. The Company is to be notified of the Audit Plan.

2.2 A Company Audit is to be carried out on all the sections of the organization related to the SMS described in the Safety Management Manual. In cases where there are several sections performing the same activities, the sections to be visited are to be determined in accordance with Table 1.

2.3 Any sections not audited during the Initial Audit or Renewal Audit are to be audited in turn during subsequent Annual Audits such that all sections have been audited by the next Renewal Audit.

2.4 The auditor(s) is to notify the Company of the results of the audit upon completion of the audit.

2.5 The Company is to be notified of the results of the Company Audit within 14 (fourteen) days after the completion of the audit using an Audit Report of Safety Management Systems.

Table 1. Number of sections to be audited when more than one section performs the same function

Number of sections performing the same activities	Number of sections to be audited
2 ~ 3	2
4 ~ 6	3
7 or more	To be determined in consultation with the applicant on a case by case basis

3. Actions Regarding Major/Non-conformities

At the Follow-up Audit specified in Section 4.E of the Guidelines, the following procedures are to apply in order to verify the effectiveness of the corrective actions taken to remedy non-conformities:

- 1) The Company is to submit a plan concerned with the corrective actions to BKI without delay.
- 2) BKI is to review the plan and notify the Company of the result. Where the corrective actions described in the plan are deemed not satisfactory, the Company is to submit a revised plan.
- 3) Where the corrective actions described in the plan are deemed satisfactory, the following verification procedure is to be taken:
 - A) For a major Non-conformity

Follow up audit is to be carried out in order to verify the effectiveness of the corrective actions not later than 3 (three) months after the completion date of the last audit.
 - B) For a Non-conformity

The effectiveness of the corrective actions is to be verified at the next periodical audit or a Follow-Up Audit may be carried out as deemed necessary by the appointed Auditor.

C. Periodical Audit of Company

1. Annual Audit

1.1 At the Annual Audit of the Company, BKI is to verify the validity of the statutory and classification certificates of at least one ship of each type registered under the ISM Code.

1.2 The auditor of BKI is to endorse the DOC upon completion of the Annual Audit of the Company.

2. Renewal Audit

2.1 In principle, a Document Review is not to be carried out at a Renewal Audit of the Company.

2.2 The schedule and plan for the Renewal Audit should be discussed with the Company in advance and notified to the Company.

3. Actions Regarding Major/Non-conformities

Non-conformities observed during a Periodical Audit of the Company SMS are to be handled in accordance with B.3

D. Additional Audit of Company

1. General

The Company is to submit an explanatory note describing the reasons for the application for an Additional Audit together with the application. Common reason for additional audits are as follow:

- 1) When substantial modifications have been made to the SMS of the Company or major organizational changes are made within the Company.
- 2) When an Interim DOC related to addition of ship type is changed to Full-term/Short-term DOC.
- 3) When BKI or the Administration considers it is necessary to request an Additional Audit in view of the nature of the NC with regard to the SMS of the Company or Ship(s).
- 4) When the reinstatement of an invalidated DOC has been taken place, an Additional Audit with the scope of Annual Audit has to be carried out within 3 (three) months after the reinstatement.
- 5) When name and/or address of a Company is changed.

2. Actions Regarding Major/Non-conformities

Non-conformities observed during an Additional Audit of the Company SMS are to be handled in accordance with B.3.

E. Follow-Up Audit

(No further information required)

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Section 5 Audit of Shipboard Safety Management Systems

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A. Audit for Issuing Interim SMC

1. General

(No further information required)

2. Documents to be submitted

2.1 The documents described in items 5.A.2.1 (with the exception of item 5.A.2.1.1) and 5.A.2.2 of the Guidelines need not be submitted for ships for which the Review of SMS Manual has been waived in accordance with 5.A.3.

2.2 Reference materials regarding the SMS mean those materials that indicate the linkage of the SMS with the Company, which is in possession of the DOC or Interim DOC relevant to the ship to be audited.

3. Document Review

BKI may, in principle, waive the requirement for review of SMS Manual of the ship under management of a Company in possession of the DOC (Full-term/Short-term/Interim) issued by BKI.

B. Initial Audit of Ship

1. General

Verifying that the SMS Manual of the ship is implemented effectively means ensuring that the SMS has been in operation on board the ship for at least 3 (three) months. Objective evidence that the SMS is being effectively implemented is to include the completion of an Internal Audit by the Company.

2. Execution of Shipboard Audit

2.1 The place and date of a Shipboard Audit should be determined in consultation with the company.

2.2 A Shipboard Audit shall be carried out with attendance of responsible staff, means any person ashore or on board who is familiar with Company SMS and appointed by the Company.

2.3 The auditor(s) is to notify the results of the audit to the Master and the responsible staff appointed by the Company upon completion of an audit.

3. Actions Regarding Major/Non-conformities

Non-conformities observed during a Shipboard Audit are to be handled in accordance with 4.B.3.

C. Periodical Audit of Ship

1. Intermediate Audit

1.1 All items described in 5.B.2 are applicable at an Intermediate Audit of the ship. In addition, the results of the internal audit carried out by the Company are to be verified.

1.2 The auditor of BKI is to endorse the SMC upon completion of the Intermediate Audit of the shipboard SMS.

2. Renewal Audit

All items described in 5.B.2 are applicable at a Renewal Audit of the ship. In addition, the results of the internal audit carried out by the Company are to be verified.

3. Actions Regarding Major/Non-conformities

Non-conformities observed during a Periodical Audit of the shipboard SMS are to be handled in accordance with 4.B.3.

D. Additional Audit of Ship

1. General

The Company is to submit an explanatory note describing the reasons for the application for an Additional Audit together with the application.

- 1) When substantial modifications have been made to the SMS Manual.
- 2) When a ship's particulars such as ship's name are changed.
- 3) When BKI or the Government of the Flag State considers it is necessary to request an Additional Audit in view of the nature of the Non conformity with regard to the SMS of the Company or Ship(s).
- 4) When a ship's Flag is changed without a change of the Company meanwhile the Company is in possession to DOC full-term/short-term from the new flag state.

However, this is not applicable to all flag states. In this case, an Interim Audit to issue an Interim SMC is required.

- 5) When the reinstatement of an invalidated SMC has been taken place, an Additional Audit with the scope of Intermediate Audit has to be carried out within 3 (three) months after the reinstatement.
- 6) At the extension of the Interim SMC (Application must be accompanied by an Authorization letter issued by the Administration).

2. Actions Regarding Major/Non-conformities

Non-conformities observed during an Additional Audit of the shipboard SMS are to be handled in accordance with 4.B.3.

E. Follow-Up Audit

(No further information required)

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F. Ships laid-up

For the commencement of lay-up, the ship owner is required to submit the application for the Ship Laid-up to the nearest BKI branch office.

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Section 6 Miscellaneous Provisions

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A. Supply of Information

(No further information required)

B. Maintaining Confidentiality

(No further information required)

C. Appeals & Complain

(No further information required)

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