



For Classification And Construction

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Part 6

Volume 6

# GUIDELINES FOR THE AUDIT AND REGISTRATION OF SAFETY MANAGEMENT SYSTEMS

2017

Biro Klasifikasi Indonesia





## Guidelines For Classification And Construction

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### Part 6 Statutory

#### Volume 6

# GUIDELINES FOR THE AUDIT AND REGISTRATION OF SAFETY MANAGEMENT SYSTEMS

2017

Biro Klasifikasi Indonesia

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The following Guidelines come into force on December 2017

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

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## Foreword

This Guidelines is used for Safety Management System (SMS) audit and registration based on International Safety Management Code (ISM Code).

This Guidelines is applied to ships from any flags whose assignment by the government is assigned to the BKI.

This Guidelines contains the following 6 Sections:

Section 1 contains general provisions including application, equivalency and definitions of terms.

Section 2 contains registration of safety management systems including approval documents and certificates, validity and invalidity of certificates, issuance of DOC and SMC, etc.

Section 3 contains audit of safety management systems including audit for issuing interim DOC and Interim SMC, initial audit, annual audit, renewal audit, additional audit and follow up audit.

Section 4 contains audit of company safety management systems including documents to be submitted, execution of audit and action regarding non-conformities.

Section 5 contains company of company safety management systems including documents to be submitted, execution of audit and action regarding non-conformities.

Section 6 contains miscellaneous provisions.

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## Guidelines Amendment Notice

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

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>A</b>	<b>Application</b>	
A.4	Flag State Regulations	To add provisions of flag state requirements
<i>Section 2- Registration of Safety Management Systems</i>		
<i>The amendments are effective from Dec 2017</i>		
<b>C</b>	<b>Documents and Certificates</b>	
C.2.5	Validity of SMC	To add provisions of validity of the existing SMC while cannot issued on board
C.4.1.6 and C.4.2.8	Invalidation of Document and Certificates	To add provisions of conditions invalidation of Document and Certificates
<i>Section 3-Audit of Safety Management Systems</i>		
<i>The amendments are effective from Dec 2017</i>		
<b>C</b>	<b>Conduct of Audits and Timing</b>	
C.7	Follow Up Audit	To add provisions of follow up audit
<i>Section 4-Audit of Company Safety Management Systems</i>		
<i>The amendments are effective from Dec 2017</i>		
<b>B</b>	<b>Initial Audit of Company</b>	
B.3	Action regarding Major/Non-conformities	To add provisions of follow up audit to verify non conformities
<b>C</b>	<b>Periodical Audit of Company</b>	
C.3	Action regarding Major/Non-conformities	To add provisions of follow up audit to verify non conformities
<i>Section 5-Audit of Shipboard Safety Management Systems</i>		
<i>The amendments are effective from Dec 2017</i>		
<b>A</b>	<b>Audit for Issuing Interim SMC</b>	
A.3.2	Document Review	To add provisions of correction actions regarding non conformities
<b>B</b>	<b>Initial Audit of Ship</b>	
B.2.2	Execution of Shipboard Audit	To add provisions of the Audit result
B.3	Action regarding Major/Non-conformities	To add provisions of follow up audit to verify non conformities
<b>C</b>	<b>Periodical Audit of Ship</b>	
C.3	Action regarding Major/Non-conformities	To add provisions of follow up audit to verify non conformities
<b>D</b>	<b>Additional Audit of Ship</b>	
D.2	Action regarding Major/Non-conformities	To add provisions of follow up audit to verify non conformities
<i>Section 6 – Miscellaneous Provisions</i>		
<i>The amendments are effective from Dec 2017</i>		
<b>B</b>	<b>Maintaining Confidentiality</b>	
B	No Title	To edit provisions of maintaining Confidentiality
<b>C</b>	<b>Appeals &amp; Complains</b>	
C	No Title	To edit provisions of Appeals & Complains

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## Section 1 General Provisions

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### A. Application

1. BIRO KLASIFIKASI INDONESIA (hereinafter referred to as “BKI”) is to audit and register the safety management systems (hereinafter referred to as the SMS) in compliance with the International Safety Management Code (hereinafter referred to as the ISM Code) in accordance with the provisions set forth in these Guidelines for the Audit and Registration of Safety Management Systems (hereinafter referred to as ‘the Guidelines’).

2. The Guidelines will apply to safety management systems for ships with any flag vessels and their management companies who have responsibility for the operation of the ships (hereinafter referred to as Companies”) according to the assignment from any flag state/Government (hereinafter referred to as the “Administration”) into BKI.

3. Registration of a safety management system will be made based on the application submitted by the company.

4. Any flag State requirements shall be taken into consideration and followed.

### B. Equivalency

When the safety management system of a company and the ship concerned is considered by BKI to be equivalent in its effects to one complying with the requirements of the Guidelines, the said safety management system may be deemed to comply with the Guidelines.

### C. Definitions of Terms

For the purposes of the Guidelines, the following definitions apply unless otherwise provided for:

- 1) International Safety Management (ISM) Code means the International Management Code for the Safe Operation of Ships and for Pollution Prevention adopted by the International Maritime Organization (IMO) by resolution A.741 (18), as may be amended by the IMO, provided that such amendments are adopted, brought into force and take effect in accordance with the provisions concerning the amendment procedures specified by IMO.
- 2) Safety Management System means a structured and documented system which enables the personnel of the Company to implement the safety and environmental protection policy of the Company effectively.
- 3) Company means one of the following, as defined in the ISM Code:
  - A) An independent organization or an individual who is responsible for the operation, maintenance, manning, etc. of a ship based on a management contract or bareboat charter party contract with the ship-owner.
  - B) A ship-owner or operator who has a ship management section as a part of their organization and, in such case, the section (or sections) is (are) in charge of the activities covering the overall management of ship operation, maintenance and manning. However, an organization

which performs only a portion of these activities does not correspond to the definition of a Company required to implement an SMS as set forth in the Guidelines.

- C) A ship operator, ship manager, bareboat charterer, or any other organization or person who has assumed the responsibility for operation of the ship from the ship-owner and who on assuming such responsibility has agreed to take over all duties and responsibilities imposed by the ISM Code .
- 4) Ship means all type of ship which has propulsion engine and manned for certain tonnage dimension and mandatory comply with ISM Code requirement, either domestic or international voyage service<sup>1</sup>.
  - 5) Administration means Government where flag ship registered and authorize to issue Statutory Certificate.
  - 6) Document of Compliance (DOC) means a document issued to a Company which complies with the requirements of the ISM Code.
  - 7) Safety Management Certificate (SMC) means a document issued to a ship which signifies that the Company and its shipboard management operated in accordance with the approved SMS.
  - 8) Safety Management Audit means a systematic and independent examination to determine whether the SMS activities and related results comply with planned arrangements and whether these arrangements are implemented effectively and are suitable to achieve objectives.
  - 9) Observation means a statement of fact made during a safety management audit and substantiated by objective evidence. An observation may also be a statement made by the Auditor referring to the SMS which, if not corrected, may lead to a nonconformity in the future.
  - 10) Objective Evidence means quantitative or qualitative information, records or statements of fact pertaining to safety or to the existence and implementation of a SMS element, which is based on observation, measurement or test and which can be verified.
  - 11) Non-conformity means an observed situation where objective evidence indicates the non-fulfillment of a specified requirement.
  - 12) Major Non-conformity means an identifiable deviation that poses a serious threat to personnel or ship safety, or a serious risk to the environment and requires immediate corrective action, in addition major non-conformity may include lack of effective and systematic implementation of the requirements of the ISM Code.
  - 13) Anniversary Date means the yearly date corresponding to the expiry date of the period of validity of a Document of Compliance (hereinafter referred to as a DOC) for a registered company, and the yearly date corresponding to the expiry date of a Safety Management Certificate (hereinafter referred to as the SMC) for a registered ship, both of which exclude the expiry date of the period of validity of the Document or Certificate.

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<sup>1</sup> Accommodation Work Barge, FPSO, FSU and other ship without mechanical propulsion that voluntarily comply with ISM Code

## Section 2 Registration of Safety Management Systems

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### A. Registration of Safety Management Systems

1. BKI is to carry out audits on the safety management system of a company and each ship concerned in accordance with the provisions of Section 3 of these Guidelines, and register the safety management system of the company and each respective ship in the Safety Management System Register Book when the safety management system has been found to satisfy the requirements of the ISM Code (hereinafter referred to as ISM Registration).
2. BKI is to enter the name of the company, the type(s) of ships under management of the company and other relevant details for registering the company, and enter the name of each respective ship and other related details regarding the registration of the ship in the ISM Code Register.
3. BKI is to revise the entries in the ISM Code Register whenever the content of any registered item or items are changed.
4. BKI is to enter the registered items prescribed in A.2 above in the ISM Code Register and publish it.
5. The Company is to notify BKI of any changes made to any of the items listed as entries in the ISM Code Register in a prompt and timely manner.
6. BKI shall report ISM Code Register periodically to the Administration.

### B. Maintenance of ISM Registration

1. The Company and each ship registered as described in A above are to undergo Periodical Audits and Additional Audits in accordance with the provisions of Section 3 in order to maintain ISM registration.
2. BKI is to carry out Renewal Audits of the Company and each ship and renew and re-issue a DOC and SMC, respectively, if the SMS has been verified as being effectively implemented in compliance with the requirements of the ISM Code.

### C. Documents and Certificates

#### 1. Issuance of DOCs and SMCs

- 1.1 BKI is to issue a DOC or an Interim Document of Compliance (hereinafter referred to as an Interim DOC) to the SMS registered Company, and a SMC or an Interim Safety Management Certificate (hereinafter referred to as an Interim SMC) to the SMS registered ship provided that the SMS satisfies the requirements of the ISM Code and the Guidelines.

**1.2** Where as it is applicable (ie: Partial Authorizations), BKI shall submit the application and audit report to the Administration for processing the issuance of Full Term DOC (hereinafter referred to as "DOC") or Full Term SMC (hereinafter referred to as "SMC").

**1.3** DOC or SMC issued by Administration sent to BKI for further submitted to the Company requested.

**1.4** When audit fees and expenses have not been paid by the Company, BKI having right to hold the issuance or endorsement of the document and certificate.

## **2. Validity of DOC and SMC**

**2.1** The period of validity of a DOC and a SMC is to be 5 (five) years from the date of completion of each respective Initial Audit prescribed in Section 3.C.2 or the date of completion of each previous Renewal Audit prescribed in Section 3.C.5.

**2.2** Notwithstanding the requirements set forth in 2.1 above, when the Renewal Audit is completed within 3 (three) months before the expiry date of the existing DOC or SMC, the new DOC or new SMC is to be valid from the date of completion of the Renewal Audit for a period of 5 (five) years from the date of expiry of the existing DOC or SMC.

**2.3** Notwithstanding the requirements set forth in 2.1 above, when the Renewal Audit is completed after the expiry date of the existing SMC, the new SMC is to be valid from the date of completion of the Renewal Audit to a date not exceeding 5 (five) years from the date of expiry of the existing SMC.

**2.4** If a ship is not in the port in which the Renewal Audit is to be carried out at the time when its SMC expires, the Administration may extend the period of validity of the SMC. However, this extension is to be granted only for the purpose of allowing the ship to complete its voyage to the port in which the Renewal Audit is to be carried out, and then only in cases where it appears proper and reasonable to do so. No SMC is to be extended for a period of longer than 3 (three) months, and the ship to which such an extension is granted is not, upon its arrival at the port where the Renewal Audit is to be carried out, to be entitled by virtue of such an extension to leave that port without having a new SMC. When the Renewal Audit is completed, the new SMC is to be valid to a date not exceeding five years from the expiry date of the existing SMC before the extension was granted.

**2.5** If the Renewal Audit has been completed and the new SMC cannot be issued or placed on board the ship before the expiry date of the existing SMC, the existing SMC may be accepted as valid for a further period not exceeding 5 (five) months from the expiry date.

## **3. Interim DOC and Interim SMC**

**3.1** BKI is to issue the Interim DOC and Interim SMC when considered appropriate upon completion of the conduct of an audit in accordance with the requirements of Section 3.C.1 below.

**3.2** The period of validity of an Interim DOC issued in accordance with sub-paragraph 3.1 above is to be not longer than 12 (twelve) months after the date of completion of the audit prescribed in Section 4.A below.

**3.3** The period of validity of an Interim SMC issued in accordance with 3.1 above is to be not longer than 6 (six) months after the date of completion of the audit prescribed in Section 5.A below.

**3.4** The period of validity of an Interim SMC issued in accordance with 3.3 above may be extended up to a period not exceeding 6 (six) months subject to the approval of the Administration of the ship.

3.5 In addition to the requirements specified in C.4 below, an Interim DOC or an Interim SMC is to become invalid when a DOC or SMC is issued by the Administration.

#### 4. Invalidation of Documents and Certificates

4.1 A full-term/short-term DOC or an Interim DOC shall become invalid when any of the following (1) through (6) is applicable:

- 1) when the Company does not undergo the Periodical Audits prescribed in Section 4;
- 2) when no corrective actions have been taken by the Company to remedy major non-conformities;
- 3) when corrective actions for non-conformities found during a Periodical Audit have not been taken by the Company within the time period specified;
- 4) when requirements of the ISM Code have been amended, but the Company does not intend to comply with the amendments of the ISM Code or is unable to conform thereto;
- 5) when the Company is not in position to demonstrate objective evidences to operate at least one ship under its operation management according to the ISM Code requirements; or
- 6) when audit fees and expenses have not been paid by the Company.

4.2 A full-term/short-term SMC or Interim SMC is to become invalid when any of the following conditions (1) through (8) is applicable:

- 1) when the ship managed by the Company does not undergo Periodical Audits as prescribed in Section 5;
- 2) when corrective actions to remedy major non-conformities concerning the ship have not been taken by the Company;
- 3) when corrective actions to remedy non-conformities concerning the ship found during Periodical Audits have not been taken within the time period specified;
- 4) when the requirements of the ISM Code have been amended and the ship under management of the Company does not intend to comply with the amendments of the ISM Code or is unable to conform thereto;
- 5) when the Company is not in possession of a valid DOC or an Interim DOC issued by BKI or any other classification society or issuing authority;
- 6) when the ship is not in possession of the valid statutory certificates that are necessary for ship operation;
- 7) when the ship is not classed and registered and further, does not maintain such class with BKI and/or any other classification society recognized by the Administration; or
- 8) when audit fees and expenses have not been paid.

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

### 1. Retention of Documents and Certificates

The Company is to retain the full-term/short-term DOC or an Interim DOC and the copies of the full-term/short-term SMC or Interim SMC of each ship at the company on file within the Company. Further, each ship is to retain the full-term/short-term SMC or Interim SMC along with a copy of the full-term/short-term DOC or Interim DOC on board the ship. The Company is to present them to BKI upon request.

## **2. Re-issuance of Documents and Certificates**

When the full-term/short-term DOC, an Interim DOC, full-term/short-term SMC or an Interim SMC has been lost or damaged, the Company is to submit a request to BKI without delay to have the relevant document or certificate reissued.

## **3. Revising Entries on Documents and Certificates**

**3.1** The Company is to, without delay, apply to BKI to request that it rewrite and reissue the full-term/short-term DOC or Interim DOC, as well as the full-term/short-term SMC or Interim SMC whenever there is a change in the content of the same.

**3.2** When there is a decrease in the types of ships under management of the Company, the Company is to apply to BKI to have the DOC revised to reflect the change.

## **4. Returning Documents and Certificates**

**4.1** The Company is to immediately return the Interim DOC or the Interim SMC of each ship to BKI when a DOC or a SMC is issued in accordance with C.1.

**4.2** The Company is to immediately return the old full-term/short-term DOC or old full-term/short-term SMC of each ship to BKI whenever a full-term/short-term DOC or a full-term/short-term SMC is reissued (except in the case of replacement of a missing DOC or SMC) as per D.2 or whenever the entries in such DOC or SMC are to be revised as per D.3 above.

**4.3** The Company is to immediately return the full-term/short-term DOC or Interim DOC, or the full-term/short-term SMC or Interim SMC of each ship in the event that the ISM registration of the Company is withdrawn and the certificates have been invalidated under the provisions of E.

**4.4** When a lost full-term/short-term/Interim DOC, full-term/short-term/Interim SMC has been found after the same has already been reissued, the Company is to immediately return the former certificate thus found to BKI.

## **E. Termination of ISM Registration**

### **1. Termination of ISM Registration of Company**

BKI is to withdraw the ISM registration of the Company and notify the Company of such termination whenever any of the following conditions (1) through (3) become applicable:

- 1) when an application to cancel the ISM registration of the Company is received from the Company;
- 2) when the full-term/short-term/Interim SMCs of all applicable ships subject to the SMS have become invalidated; or
- 3) when the full-term/short-term/Interim DOC becomes invalidated under the provisions of C.4.1 above.

### **2 Termination of ISM Registration of Ship**

BKI is to withdraw the ISM registration of the ship and notify the Company of the same whenever either of the following conditions becomes applicable:

- 1) when an application to cancel the ISM registration of the ship is received from the company; or



- 2) when the SMC or Interim SMC becomes invalidated under the provisions of C.4.2 above, except in the case where the SMC or Interim SMC of the ships laid up becomes invalidated under the provisions of C.4.2.1.

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## Section 3 Audit of Safety Management Systems

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### A. Conduct of Audit

Audit is to be carried out at the request of the Company by safety management systems auditors of BKI (hereinafter referred to as the auditor) who has been properly qualified and assigned under requirements provided separately.

### B. Types of Audits

SMS audits consist of the following types:

- 1) Audit for issuing Interim DOC
- 2) Audit for issuing Interim SMC
- 3) Initial Audit
- 4) Periodical Audits
  - A) Annual Audit
  - B) Intermediate Audit
  - C) Renewal Audit
- 5) Additional Audit
- 6) Follow-Up Audit

### C. Conduct of Audits and Timing

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

**1.1** The Audit for issuing an Interim DOC or Interim SMC is to be carried out in accordance with either of the following 1.2 or 1.3.

**1.2** When either of the following cases is applicable, BKI is to carry out the audit prescribed in Section 4.A for the Company:

- 1) when a new company is established to manage ships; or
- 2) when new ship types are added to an existing DOC.

**1.3** When any of the following cases (1) through (4) is applicable, BKI is to carry out the audit prescribed in Section 5.A for the ship:

- 1) when a SMS is applied to a newly constructed ship;
- 2) when a SMS is applied to a ship to which C.1.2.2 above applies;
- 3) when a SMS is applied to a ship whose type has been changed; or
- 4) when a SMS is applied to a ship whose company or flag has been changed.

## 2. Initial Audit

2.1 An Initial Audit is to be carried out on the SMS of the Company when a DOC is issued for the first time, or on the SMS with respect to the ship when a SMC is issued for the first time.

2.2 The Company and each ship that has received an Interim DOC or an Interim SMC under the provisions of Section 2.C.3 above is to undergo an Initial Audit within the period of validity of said interim document or certificate.

2.3 A Company Initial Audit shall be carried out to verify the SMS when the SMS already implemented at least for 3 (three) months.

2.4 A Ship Initial Audit shall be carried out when her Company has a valid DOC and the SMS already implemented on board ship at least for 3 (three) months.

2.5 When the result of the Initial Audit is recommended that the SMS comply with ISM Code requirements and already implemented effectively, BKI shall process DOC or SMC certificate.

## 3. Annual Audit

The Annual Audit is to be carried out on the SMS of the Company within 3 (three) months before or after the anniversary date.

## 4. Intermediate Audit

The Intermediate Audit is to be carried out on the SMS for each ship between the second and the third anniversary dates following the Initial Audit or the previous Renewal Audit of the SMC.

## 5. Renewal Audit

The Renewal Audit of the SMS of the Company or each ship is to be completed prior to the expiry date of the DOC or SMC.

## 6. Additional Audit

Additional Audits is to be carried out at the request of the Company at any time other than those indicated for Periodical Audits when any of the following cases (1) through (3) becomes applicable:

- 1) when substantial modifications have been made to the SMS;
- 2) when new ship types are added to an existing DOC; or
- 3) when BKI or the Flag Administration deems such an audit to be necessary.

## 7. Follow-Up Audit

The Follow-Up Audit shall be carried out to close out Major non-conformities.

Meanwhile, Follow-Up Audit may be carried out as deemed necessary by the appointed Auditor to verify the effectiveness of corrective action taken to remedy non-conformities found during Initial Audit, Periodical Audit or Additional Audit.

## D. Preparations for Audit

1. A company whose ships are to undergo an audit should make necessary preparations based on the Audit Plan forwarded to the Company by BKI or the instructions given by the auditors. This includes

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ensuring that all documents, records, etc. relevant to the SMS are made available to the auditor(s) so as to enable them to carry out audits in accordance with the Audit Plan.

2. When undergoing audits of the SMS of the Company or each ship, the Company is to assign personnel who are fully conversant with audit procedures and capable of preparing for the audit.

3. An audit may be suspended in cases where the Company fails to make necessary preparations for the audit or does not assign the personnel mentioned in D.2 to be present during the audit, or when the auditor considers that adequate measures have not been taken to ensure safety during the execution of the audit. D

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## Section 4 Audit of Company Safety Management Systems

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### A. Audit for Issuing Interim DOC

#### 1. General

BKI is to carry out an audit as requested by Company for issuing an Interim DOC for the newly established SMS of a Company and issue an Interim DOC to the Company when the following requirements (1) through (3) have been verified satisfactorily at the audit:

- 1) when the Company has own SMS documents and submitted to BKI as described in A.2 below;
- 2) when the Company is verified, in accordance with A.3 below, to have implemented an SMS meeting the objectives defined in 1.2.3 of the ISM Code; and
- 3) when the Company has a plan to implement the SMS conforming to the requirements of the ISM Code within the period of validity of the Interim DOC.

#### 2. Documents to be submitted

2.1 The Company is to submit the following documents to BKI for review:

- 1) Application for DOC;
- 2) Safety Management Manual as defined in Element 11.3 of the ISM Code;
- 3) List of procedure and procedures for the SMS;
- 4) Types of ships to be registered under the SMS; and
- 5) Outline of the Company and a brief description of its business activities.

2.2 When deemed necessary, BKI may request that additional explanatory documents and materials be submitted regarding the SMS, in addition to the documents mentioned in 2.1 above.

#### 3. Document Review

3.1 After receiving the documents described in A.2 above, BKI is to carry out review of the SMS Manual.

3.2 The review of the SMS Manual shall be carried out to verify whether all elements of ISM Code requirements comply with SMS, for both safety management system within shore organization and ship-board organization.

3.3 When non-conformities with the requirements of the ISM Code are found during the review of SMS Manual, BKI may require the Company to take appropriate corrective actions to remedy such non-conformities.

3.4 BKI may, when it deems necessary, carry out a preliminary visit to the Company in advance of the Company Audit in order to gain a better understanding of the size, nature and other aspects of the SMS and to aid in the preparation of the Company Audit Plan.

## B. Initial Audit of Company

### 1. General

During the Initial Audit of a Company, BKI is to ensure that the documented SMS has been reviewed in accordance with A.3 above. BKI is to carry out an audit of the Company SMS itself in order to verify that the SMS is being implemented in an effective manner (hereinafter referred to as the “Company Audit”).

### 2. Execution of Company Audit

**2.1** BKI shall carry out audits to ensure that the SMS of the Company is being implemented effectively as described in the Safety Management Manual and Procedures referred to B.1 above, including communication and reporting system between shore organization and shipboard organization.

**2.2** BKI shall notify the Company of the results of the Company Audit in writing. When there are non-conformities for which corrective actions are to be taken by the Company, BKI shall, after reaching agreement with the Company, also notify the Company of the time limit by which the corrective actions are to be completed.

### 3. Actions Regarding Major/Non-conformities

When the Company is required by BKI during an Initial Audit to take appropriate corrective actions to remedy non-conformities with the requirements of the ISM Code, the Company should take the indicated corrective actions without delay **and undergo a Follow-up Audit to verify the results of the actions taken.**

## C. Periodical Audit of Company

### 1. Annual Audit

BKI shall carry out an Annual Audits of the Company in order to verify that the SMS is effectively implemented (including incorporation of the latest amendment of ISM Code, verification that the modifications and corrective actions taken after the previous audit are in compliance with the requirements of the ISM Code).

### 2. Renewal Audit

At a Renewal Audit of a Company, BKI shall review all aspects of the SMS of the Company and verify that the SMS is effectively implemented in accordance with the requirements of the ISM Code, including incorporation of the latest amendments of ISM Code, verification of modifications, corrective action taken after the previous audit, as well as communication and reporting system between shore organization and shipboard organization.

### 3. Actions Regarding Major/Non-conformities

When the Company is required by BKI during a Periodical Audit to take appropriate corrective actions to remedy non-conformities with the requirements of the ISM Code, the Company should take the indicated corrective actions without delay **and undergo a Follow-up Audit to verify the results of the actions taken.**

## D. Additional Audit of Company



## **1. General**

BKI shall carry out Additional Audits with respect to the matters described in Section 3.C.6 above in order to verify that the SMS is being effectively implemented in accordance with the requirements of the ISM Code.

## **2. Actions Regarding Major/Non-conformities**

When the company is required by BKI during an Additional Audit to take appropriate corrective actions to remedy non-conformities with requirements of the ISM Code, the Company should take the indicated corrective actions without delay and undergo a Follow-up Audit to verify the results of the actions taken.

## **E. Follow-Up Audit**

BKI shall carry out Follow-Up Audit with respect to the matters described in Section 3.C.7 above.

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## Section 5 Audit of Shipboard Safety Management Systems

A.	Audit for Issuing Interim SMC.....	5-1
B.	Initial Audit of Ship.....	5-2
C.	Periodical Audit of Ship.....	5-2
D.	Additional Audit of Ship.....	5-2
E.	Follow-Up Audit.....	5-3
F.	Ships laid-up.....	5-3

### A. Audit for Issuing Interim SMC

#### 1. General

BKI shall carry out an audit for issuing an Interim SMC for the newly established SMS of a ship and issue an Interim SMC to the ship when all the following requirements (1) through (6) have been verified satisfactorily at the audit:

- 1) when the ship to be audited is in possession of a valid DOC, or Interim DOC, relevant to that ship;
- 2) when the SMS provided by the Company for the ship include key elements of the ISM Code and has been assessed during the audit for issuance of the DOC or demonstrated for issuance of the Interim DOC;
- 3) when the Master and relevant senior officers are familiar with the SMS and the planned arrangements for its implementation;
- 4) when instructions which have been identified as essential to be provided prior to sailing have been given;
- 5) when the Company has plans to conduct an internal audit of the ship within a period of 3 (three) months; and
- 6) when relevant information on the SMS is given in a working language or languages that can be understood by the personnel serving on board the ship.

#### 2. Documents to be submitted

2.1 The Company is to submit the following documents to BKI for review:

- 1) Application for SMC;
- 2) A copy of the DOC;
- 3) List of the procedures of the shipboard SMS; and
- 4) Principal particulars of the ship for undergoing a Shipboard Audit.

2.2 When deemed necessary, BKI may request that additional explanatory documents and materials be submitted regarding the SMS, in addition to the documents mentioned in 2.1 above (e.g. SMS Manual).

#### 3. Document Review

3.1 The appointed Auditors has to ensure that the SMS Manual has been reviewed by BKI.

3.2 When non-conformities with the requirements of the ISM Code are found in the SMS Manual during the Shipboard Document Review, BKI may require the Company to take appropriate corrective actions to remedy such non-conformities.

## **B. Initial Audit of Ship**

### **1. General**

During the Initial Audit of a ship, BKI is to, after verifying that the DOC of the Company is valid and appropriate to the type of ship, carry out an audit of the shipboard SMS itself in order to verify that the SMS is being implemented in an effective manner (hereinafter referred to as the 'Shipboard Audit').

### **2. Execution of Shipboard Audit**

**2.1** During the Shipboard Audit, BKI is to carry out audits to ensure that the shipboard SMS is being implemented effectively on board the ship as described in the SMS Manual and procedures.

**2.2** BKI is to notify the Company of the results of the Shipboard Audit in writing. When there are non-conformities for which corrective actions are to be taken by the ship, BKI shall, after reaching agreement with the ship, also notify the Company of the time limit by which such corrective actions are to be completed.

### **3. Actions Regarding Major/Non-conformities**

When the Company is required by BKI during an Shipboard Audit to take appropriate corrective actions to remedy non-conformities with the requirements of the ISM Code, the Company and ship should take the indicated corrective actions as promptly as possible **and undergo a Follow-up Audit to verify the results of the actions taken.**

## **C. Periodical Audit of Ship**

### **1. Intermediate Audit**

BKI is to carry out an Intermediate Audit of the ship in order to verify that the SMS is effectively implemented, including incorporation of the latest amendments of ISM Code, verification that the modification and corrective actions taken after the previous audit in compliance with the requirements of the ISM Code, as well as communication and reporting system between shore organization and shipboard organization.

### **2. Renewal Audit**

At the Renewal Audit of a ship, BKI is to review all aspects of the SMS of the ship and verify that the SMS is effectively implemented in accordance with the requirements of the ISM Code, including incorporation of the latest amendments of ISM Code, verification of modifications and corrective actions taken after the previous audit, as well as communication and reporting system between shore organization and shipboard organization.

### **3. Actions Regarding Major/Non-conformities**

When the Company is required by BKI during a Periodical Audit to take appropriate corrective actions to remedy non-conformities with the requirements of the ISM Code, the Company should take the indicated corrective actions without delay **and undergo a Follow-up Audit to verify the results of the actions taken.**

## **D. Additional Audit of Ship**

## 1. General

BKI is to carry out Additional Audits with respect to the matters described in Section 3.C.6 above in order to verify that the SMS is being effectively implemented in accordance with the requirements of the ISM Code.

## 2. Actions Regarding Major/Non-conformities

When the company is required by BKI during an Additional Audit to take appropriate corrective actions to remedy non-conformities with requirements of the ISM Code, the Company should take the indicated corrective actions without delay **and undergo a Follow-up Audit to verify the results of the actions taken.**

## E. Follow-Up Audit

BKI shall carry out Follow-Up Audit with respect to the matters described in Section 3.C.7 above.

## F. Ships laid-up

1. Ships laid-up are not subject to Initial Audits specified in Section 5.B and Periodical Audits specified in Section 5.C.

2. When the ships laid-up are about to be re-entering service, the following audits are to be carried out.

1) The ships which have valid Interim SMC before lay-up.

A) In the case where the laid-up period is within 3 (three) months, any audits are not required. However, in the case where Interim SMC has become invalid while the ship was laid-up, the Audit for Issuing an Interim SMC is to be carried out.

B) In the case where the lay-up period is more than 3 (three) months, the Audit for Issuing an Interim SMC is to be carried out.

2) The ships which have valid SMC before they become laid-up.

A) In the case where the lay-up period is within 6 (six) months and the due dates for Periodical Audits has not exceeded while the ship was laid-up, in principal, any audits are not required and the kind of Periodical Audit and the due date shall be kept as assigned before.

B) In the case where the lay-up period is within 6 (six) months and the due date for Periodical Audit has exceeded while the ship was laid-up, in principal, the Periodical Audit whose due date has exceeded is to be carried out. However, in the case where that kind of Periodical Audit is Intermediate Audit, either Intermediate Audit or Renewal Audit shall be carried out. Then, in the case where the Intermediate Audit is carried out, next audit shall be Renewal Audit and the due date shall be kept as assigned before.

C) In the case where the lay-up period is more than 6 (six) months, in principal, the Audit for Issuing an Interim SMC is to be carried out.

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## Section 6 Miscellaneous Provisions

A.	Supply of Information .....	6-1
B.	Maintaining Confidentiality .....	6-1
C.	Appeals & Complains .....	6-1

### A. Supply of Information

The Company is to furnish BKI with complete and correct information deemed necessary by BKI for the maintenance of registry.

### B. Maintaining Confidentiality

BKI will treat as confidential any documentation and information received in connection with orders placed with BKI. Such documentation and information may be passed on to third parties solely with prior written consent of the party entitled thereto. See Rules for Classification and Surveys 2017(Pt.1, Vol. I) Sec.2.A 1.7.

The above is without prejudice to any obligations towards the authorities of the Flag State.

### C. Appeals & Complains

In cases when the Company has any appeals/complaints concerning the audit carried out by BKI auditor in accordance with the Guidelines, the Company may request, in writing, that BKI carry out a re-audit within 30 (thirty) days from the day after completion of the audit.

Any appeals/complaints should be addressed to either Customer Relation Division (E-mail: [ctr@bki.co.id](mailto:ctr@bki.co.id)) or Statutory Division (E-mail: [sta@bki.co.id](mailto:sta@bki.co.id)).

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