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COMMISSION STAFF WORKING DOCUMENT

Union submission to the International Maritime Organization's 8th Sub-Committee on Implementation of IMO Instruments suggesting amendments to the HSSC Survey Guidelines and to the Revised Guidelines on the implementation of the ISM Code by administrations and principles of the Guidelines on remote surveys, ISM Code audits and ISPS Code verifications

Union submission to the 8th session of the International Maritime Organization's Sub-Committee on Implementation of IMO Instruments suggesting amendments to the HSSC Survey Guidelines and to the Revised Guidelines on the implementation of the ISM Code by administrations and principles of the Guidelines on remote surveys, ISM Code audits and ISPS Code verifications

PURPOSE

This Staff Working Document contains a draft Union submission to the International Maritime Organization's (IMO) 8th Sub-Committee on Implementation of IMO Instruments (III 8). The IMO has indicatively scheduled III 8 from 25 to 29 July 2022.

The draft submission suggests to amend Resolution A.1118(30) and Resolution A.1156(32) to provide guidance on the use of remote audits and surveys, respectively. It also indicates principles that could be considered for the future development of IMO Guidelines for the assessment of remote surveys, ISM Code audits and ISPS Code verifications.

Due to the COVID-19 pandemic outbreak, the use of remote surveys and audits has spread. It is, thus, necessary to develop specific guidance to ensure that this practice of remote survey/audit is carried out in a harmonised way and in a manner, which ensures the same level of safety, environmental protection and security as by a physical onboard survey/audit. The methodology of remote surveys and audits, be they a complete or partial substitute to physical attendance, should be properly assessed based on an internationally recognised method.

EU COMPETENCE

Regulation (EC) No 391/2009¹ lays down common rules and standards for ship inspection and survey organisations. Point A.3 of Annex I to the Regulation requires that the Recognised Organisations have the necessary technical and human resources to deliver their work while point B.1 requires that they maintain a worldwide network of exclusive surveyors.

In addition, point B.7(k) of Annex I to the Regulation makes HSSC Guidelines mandatory for a recognised organisation. Furthermore, Regulation (EC) No 336/2006² incorporates the International Safety Management Code (ISM Code) in the Union's legal order.

The matter of maritime security verifications and inspections is covered by Regulation (EC) No 725/2004 on enhancing ship and port facility security³. It is detailed in its Article 9.1 on 'Implementation and conformity checking' and for ships in Annex II, paragraph 19.1 on 'Verifications for ships'; and for port facilities in its Article 3.6 "Joint measures and scope" and in Annex II in paragraphs 15.4 on port facility security assessments, 16.1 and 16.2 on port facility plans.

In light of all of the above, the present draft Union submission falls under EU exclusive competence.⁴

¹ Regulation (EC) No 391/2009 of the European Parliament and of the Council of 23 April 2009 on common rules and standards for ship inspection and survey organisations, OJ L 131, 28.5.2009, p. 11.

² Regulation (EC) No 725/2004 of the European Parliament and of the Council of 31 March 2004 on enhancing ship and port facility security, OJ L 64, 4.3.2006, p. 1–36

³ Regulation (EC) No 725/2004 of the European Parliament and of the Council of 31 March 2004 on enhancing ship and port facility security; OJ L 129, 29.4.2004, p. 6–91

⁴ An EU position under Article 218(9) TFEU is to be established in due time should the IMO Maritime Safety Committee eventually be called upon to adopt an act having legal effects as regards the subject matter of the said draft Union submission. The concept of '*acts having legal effects*' includes acts that have legal effects by virtue of the rules of international law governing the body in question. It also includes instruments that do not have a binding effect under international law, but that are '*capable of decisively influencing the content of the*

This Staff Working Document is presented to establish an EU position on the matter and to transmit the document to the IMO prior to the required deadline of 22 April 2022.⁵

*legislation adopted by the EU legislature*³ (Case C-399/12 Germany v Council (OIV), ECLI:EU:C:2014:2258, paragraphs 61-64). The present submission, however, does not produce legal effects and thus the procedure for Article 218(9) TFEU is not applied.

⁵ The submission of proposals or information papers to the IMO, on issues falling under external exclusive EU competence, are acts of external representation. Such submissions are to be made by an EU actor who can represent the Union externally under the Treaty, which for non-CFSP (Common Foreign and Security Policy) issues is the Commission or the EU Delegation in accordance with Article 17(1) TEU and Article 221 TFEU. IMO internal rules make such an arrangement absolutely possible as regards existing agenda and work programme items. This way of proceeding is in line with the General Arrangements for EU statements in multilateral organisations endorsed by COREPER on 24 October 2011.

DEVELOPMENT OF GUIDANCE ON ASSESSMENTS AND APPLICATIONS OF REMOTE SURVEYS, ISM CODE AUDITS AND ISPS CODE VERIFICATIONS AND INSPECTIONS

Proposal for amendments to the Survey Guidelines under the Harmonized System of Survey and Certification and to the Revised Guidelines on the implementation of the International Safety management (ISM) Code by Administrations and Proposal for Principles of the Guidelines on remote surveys, ISM Code audits and ISPS Code verifications

Submitted by the European Commission on behalf of the European Union⁶

SUMMARY

Executive summary: This document suggests to amend Res.A.1118(30) and Res.A.1156(32) to provide guidance on the use of remote audits and surveys, respectively. It also indicates principles that could be considered for the future development of IMO Guidance on assessments and applications of remote surveys, ISM Code audits and ISPS Code verifications.

Strategic Direction, if applicable: 1 and 7

Output: 1.29

Action to be taken: Paragraph 32

Related documents: MSC 102/22/11, MSC 102/24, MSC 104/15/3, MSC 104/15/6, MSC 104/15/12, MSC 104/15/24, MSC 104/18, SDC 7/10, SDC 7/16, Circular Letter No.4204/Add.6, IMO Circular Letter No.4204/Add.16, Circular Letter No.4204/Add.19/Rev.3, Res.A.1118(30), Res.A.1156(32)

Background

1 The Maritime Safety Committee, at its 104th session, took into consideration the following:

- 1) MSC 104/15/3 (Republic of Korea), suggesting a new output on development of guidance for remote surveys;
- 2) MSC 104/15/6, an EU submission suggesting a new output on regulating remote surveys and audits;
- 3) MSC 104/15/12, an EU submission suggesting a new output on guidelines for remote inspections and verifications in the field of maritime security; and
- 4) MSC 104/15/24 (China), suggesting to undertake a scoping exercise of the framework and developing technical requirements for remote surveys, together with

⁶ The position of the European Union will be confirmed after completion of its internal procedures.

document MSC 104/INF.2 (China) providing information on the application of new technology in remote surveys of ships.

2 In MSC 104/15/6, the European Union suggested, as a possible way forward, the consideration of amendments to the Survey Guidelines under the Harmonized System of Survey and Certification (HSSC), 2019 (resolution A.1140(31), now resolution A.1156(32)) as well as the development of guidance on how to assess remote survey methods by flag Administrations. For International Safety Management (ISM) audits, the suggested output would be additional guidance to the ISM Code in the form of a revision of the Revised Guidelines on the implementation of the ISM Code by Administrations (resolution A.1118(30)) or other guidance document appended to the ISM Code in the form of an MSC-MEPC.7 Circular. In MSC 104/15/12 the European Union suggested as a way forward to develop guidelines for remote ISPS inspections and verifications.

3 Subsequently, the Committee agreed to include a new output on "Development of guidance on assessments and applications of remote surveys, ISM Code audits and ISPS Code verifications", in the biennial agenda of the III Sub-Committee for 2022-2023 and the provisional agenda for III 8, with a target completion year of 2024.

Analysis of the issue

Remote statutory verifications and inspections

4 During the COVID-19 pandemic, several Administrations have authorised the use of remote surveys and audits by their ROs and RSOs. As indicated in document MSC 102/22/11, document MSC 104/15/6, document MSC 104/15/12 and document MSC 104/15/24, there is a lack of uniformity regarding conditions, scope and procedures for remote surveys. The extent of acceptance of remote surveys also varies. This lack of uniformity exists both among flag State Administrations and among recognised organisations.

5 Until recently, inspections, surveys or audits performed without the physical attendance of a surveyor/auditor have been mostly limited to extraordinary cases for postponement of surveys or audits or in cases where the scope did not require any substantial on-site verification. It is generally considered that the present legal framework has been developed on the underlying principle that the surveys are to be carried out with the onboard presence of the surveyors/auditors. There is a need of a dedicated assessment to determine whether and under which circumstances normal survey practices with the attendance of a surveyor on board could be replaced by remote means.

6 The COVID-19 situation may be the catalyst for a wider use of remote surveys/audits even beyond the current situation. This would require action from IMO to demonstrate that the main safety, security and quality elements of the present regime are upheld when such remote surveys and audits are used. Moreover, there is an urgent need to ensure that such practices do not constitute undue burden to ship crew and/or relevant shore based personnel when they are implemented.

7 There is a need to develop specific guidance to ensure that this practice of remote survey/audit is carried out in a harmonised way and in a manner that ensures the same level of safety, environmental protection and security as that of a physical onboard survey. The methodology of remote surveys and audits, either they completely or partially substitute physical attendance, should be properly assessed based on an internationally recognised method.

8 The quality of remote surveys/audits and the level of safety, environmental protection and security on board should not be compromised. In addition, such surveys/audits need to provide the same confidence as the ones performed by physically present surveyors or auditors. A discussion and determination are needed to determine if remote surveys of all or some survey items could be considered appropriate or whether physical attendance to complete the surveys required under the Survey Guidelines under the HSSC, would be necessary. Similar considerations could apply regarding the audits required under the ISM Code and verifications under the ISPS Code.

9 The ISPS Code also sets requirements for port facilities. In a similar way as for ships, the COVID-19 pandemic raised questions as to the use of remote means for inspections. One key difference for port facilities compared to ships is that port facilities are easier to access for a Designated Authority. As a result, there appear to be fewer benefits for allowing greater use of remote means for port facility inspections, and on-site inspections should remain the norm. Remote means should remain only a complementary instrument, and the development of guidelines at the level of the IMO is not as urgent as for ships.

Remote inspection techniques

10 It is essential to define what could be considered as remote survey and distinguish it from the definition of remote inspection techniques (RITs). RITs are described in IACS Recommendation No. 42 "Guidelines for Use of Remote Inspection Techniques for surveys" and defined in IACS UR Z17 "Procedural Requirements for Service Suppliers" as a means of survey that enables examination of any part of a ship's structure without the need for direct physical access of the surveyor. In a wider context this definition may be extended to an inspection carried out by a qualified technician of an approved service supplier (except if performed directly by the surveyor) and in the presence of the surveyor.

11 The use of RITs has the potential of enhancing safety by providing the possibility of inspecting areas that would otherwise be difficult to reach. RITs can also partly replace physical inspections in confined spaces or at height, thus reducing the risks of accidents during these inspections. The current IACS guideline for RITs is general in nature and is not sufficiently detailed to ensure consistent application. IACS member societies have individually developed detailed guidelines for implementation of RITs that fall within the general guidance of the IACS recommendation. An IMO guideline on RITs would need to be at least as detailed as those procedures used by any individual classification society.

12 Careful consideration is needed in order to make a clear differentiation between class surveys and statutory surveys and audits. RITs may be used in both scenarios.

Aspects to consider in remote inspections, surveys, audits and verifications

13 Remote surveys are not defined in any international instrument but, by analogy to the above, they could be defined as a means of survey that enables examination of a ship's hull structure, machinery component or equipment and/or gathering information and evidence of compliance with applicable requirements without the physical attendance of the surveyor. In a similar manner, a remote audit is not defined. In the past, some portions of an audit could be carried out via document review in advance of an actual on-site visit. However, interviewing crew members and viewing records that are maintained on board has required the physical presence of the auditor. Some aspects of the audit such as interviews of crew may be conducted through basic video conference technology but document viewing and sharing may not be as readily accomplished. Audits, though not surveys, typically

include a walk around the vessel to view its general condition and observe implementation of safety management system procedures and security measures.

14 Generally, in a remote survey, the survey items to examine the condition of the ship or equipment encompass physical inspections, which are performed by the crew or by a qualified technician from an approved service supplier under the remote surveillance and instructions of the surveyor by two-way audio and video communication or other means of communication. The evaluation and acceptance of the condition of the survey item remains under the sole responsibility of the surveyor.

15 Survey items surveyed remotely in preparation and in combination with the surveys on board may optimise the efficiency of the surveys; for example, it may reduce the time spent reviewing records on board. It makes it also possible to get the right expertise opinion with direct information on the item inspected as it might be valuable in certain cases.

16 Remote audits are not foreseen in the ISM Code and Revised Guidelines on the implementation of the International Safety Management (ISM) Code by Administrations (resolution A.1118(30)) and remote verifications are not foreseen in the ISPS Code. However, there are existing international standards for the use of remote auditing methods in land transport (ISO 19011:2018, "Guidelines for auditing management systems"; IAF ID 12:2015, "Principles on Remote Assessment" and IAF MD 4:2018, "IAF Mandatory document for the use of information and communication technology (ICT) for auditing / assessment purposes") that could be used as appropriate.

17 The use of remote audit methods for ISM audits and ISPS verifications would require consideration and implementation of such existing standards in the current practices only for those audit activities where this approach would be found adequate, for example office audits. While remote audits may not be able to replace in full the observations by the auditor of condition and implementation of safety management system procedures including activities on board that are an essential part of the safety management audits on board ships, or of security measures, determination of the extent of their application is needed.

18 Document MSC 104/15/12, highlights certain aspects that are particular to security and the ISPS Code, such as the need to consider cybersecurity in the communications process.

19 As indicated in document MSC104/15/6, there is a need to distinguish between remote surveys/audits/verifications under extraordinary circumstances and remote surveys/audits/verifications under normal circumstances.

Handling of remote surveys and audits under extraordinary circumstances

20 Under extraordinary circumstances such as the ones provoked by the current COVID-19 pandemic, the use of remote surveys may simply be employed to consider alternative evidence on the condition of the ship in lieu of completing the physical survey for the purpose of a postponement or for verification of rectification of deficiencies covered under section 4.8.4 of the Survey Guidelines identified in previous surveys. These remote surveys/audits may be accepted on a 'case-by-case' basis, provided that an assessment is carried out. In addition, after evaluating the results of the remote survey, the surveyor may require physical re-inspection of survey items, if considered necessary.

21 This 'case-by-case' assessment should be carried out by the flag State Administration and, as a minimum, address the considerations specified in Annex 1 and Annex 2 for surveys and audits, respectively.

Handling of remote inspections, surveys and audits under normal circumstances

22 Document MSC 104/15/24 indicated that the current legal framework of ship surveys is established for on-site surveys. Document MSC (104/15/6 indicated that conducting remotely the surveys and audits required by the relevant IMO instruments as described in the Conventions and relevant Guidelines is not regulated. Therefore, the legal framework needs to be considered in developing the framework to accommodate the remote survey/audit approach.

23 There is no internationally accepted way to assess whether remote surveys may achieve the same safety level and confidence as that from physical attendance. The same consideration is applicable to ISM audits and ISPS verifications. Until such methodology is agreed and validated, a cautious approach should be adopted.

24 As a precautionary measure, initial and renewal surveys at this stage should be excluded considering the scope and the importance of these surveys before the ship is put into service and at the renewal interval, so that all survey items are inspected physically at reasonable intervals.

25 Under normal circumstances, for surveys or audits other than initial or renewal surveys/audits, consideration may be given to the use of remote survey or audit for specified inspection items/ audit/verification activities defined at IMO level, provided that the same safety level as that of on-site surveys with the physical attendance of the surveyor is ensured. Other items that may not be verified remotely should be verified by on-site surveys/audits. Therefore, normally periodical surveys should not be fully replaced by remote activities. Additionally, the surveyor may require, if deemed necessary, to confirm the remote survey/audit results for specific items on site. The specific conditions are described in Annexes 1, 2 and 3.

26 Regarding ISM audits, as indicated in paragraph 16 above, firstly there should be a distinction between the audit in the Company and the audits on board the ship. Certain substantial elements of verification of the implementation of the safety management system onboard, such as observation of activities and conditions on board may not be suitable for remote audit. Therefore, periodical audits onboard should not be fully replaced by remote activities. The same reasoning should apply to ISPS verifications.

Human element

27 Remote surveys and audits require the cooperation of crew-members. The implementation of remote survey/audit should not constitute an undue burden to ship crew and shore based personnel. Due consideration should be given to aspects such as the roles, responsibility, impartiality and liability of the involved parties, including personnel involved in physical inspection on board the ship (e.g., tests, examinations, gathering of evidence on the condition of the ship). In general terms, the current liability regime regulating the surveys and audits between flags, recognised organisations, recognised security organisations and shipowners obligations shall not be changed.

Industry standards

28 There are no provisions or common procedures agreed for the execution of class and statutory surveys or audits by remote means, i.e. without attendance by surveyor(s)/auditor(s).

29 The only existing industry standards are those related to remote inspection/auditing techniques, but not specifically addressing remote survey:

- .1 Guidelines for Use of Remote Inspection Techniques for surveys (IACS Recommendation 42);
- .2 Guidelines for auditing management systems (ISO 19011:2018);
- .3 Principles on Remote Assessment (IAF ID 12:2015); and
- .4 IAF Mandatory document for the use of information and communication technology (ICT) for auditing/assessment purposes (IAF MD 4:2018)

Conclusions

30 The current legal framework of ship surveys and audit is established for on-site activities. There are no common procedures agreed for these activities carried out remotely.

31 Due to the COVID-19 pandemic outbreak, the use of remote surveys and audits has spread and it is appropriate to develop specific guidance to ensure that this practice of remote survey/audit/verification is carried out in a harmonised way and in a manner that ensures the same level of safety, environmental protection and security as that provided by a physical onboard survey/audit/verification. The methodology of remote surveys, audits and verifications, be they a complete or partial substitute to physical attendance, should be properly assessed based on an internationally recognised method.

32 Another outcome of the recent pandemic is that some ISM Document of Compliance (DOC) holders may choose not to return to a physical central office space but rather continue to operate in a completely virtual shared workspace. In this situation individual employees work from their separate and potentially distant physical locations. This configuration needs to be addressed because it makes traditional on site DOC audits impractical or impossible.

Proposal

33 Regarding surveys, it is suggested to amend the Survey Guidelines under the Harmonized System of Survey and Certification (HSSC), 2021 (resolution A.1156(32)) as detailed in Annex 1.

34 Regarding audits, it is suggested to amend the Revised guidelines on the implementation of the International Safety Management (ISM) Code by Administrations (resolution A 1118(30)) as detailed in Annex 2.

35 The suggested amendments refer to development of IMO guidance. This guidance should address remote surveys, ISM Code audits and ISPS Code verifications. The future development of these guidelines should, as a minimum, address the elements detailed in Annex 3, while a correspondence group should be conveyed in order to kick off the development of these guidelines.

Action requested of the Sub-Committee

36 The Sub-Committee is invited to consider the analysis provided in paragraphs 3 to 32 and the suggestions provided in paragraphs 33 to 35, and take action, as appropriate.

ANNEX 1

SUGGESTED AMENDMENTS TO THE SURVEY GUIDELINES UNDER THE HARMONIZED SYSTEM OF SURVEY AND CERTIFICATION (HSSC)

(Proposed changes are shown in additions/deletions.)

GENERAL

(...)

5 AMPLIFICATION OF TERMS AND CONDITIONS

(...)

5.14 Remote Surveys

5.14. 1 A remote survey is a means of survey that enables examination of a ship's hull structure, machinery components and systems, and ship's equipment and/or gathering information and evidence of compliance with applicable requirements without the physical attendance on board of the surveyor. In the absence of a surveyor on board, the examination and tests are carried out by a competent crew member and/or a qualified technician of an approved service supplier under the remote supervision and instructions of the surveyor by two-way audio and video communication or other accepted means of communication and to the satisfaction of the surveyor.

15.14.2 Under extraordinary circumstances such as natural disasters, warfare or pandemic outbreak, consideration may be given to the use of remote surveys as alternative evidence on the condition of the ship in lieu of the physical survey for the purpose of a postponement of periodical surveys or for verification of rectification of minor deficiencies identified in previous surveys, provided that a 'case-by-case' assessment is carried out by the Administration including the verification and validation of remote survey results during subsequent physical inspection.

15.14.3 Until Guidance on assessments and applications of remote surveys is developed by IMO*, this 'case-by-case' assessment should, as a minimum address considerations such as:

1. the prerequisites for the use of remote methods, such as the safety performance of the ship and the Company, PSC performance type and age of ship.
2. the documented justification for the use of remote methods, such as extraordinary circumstances and/or force majeure situations that do not allow physical attendance of a surveyor on board the ship.
3. the scope of the remote survey, with consideration to those survey items that could be verified remotely for compliance with the applicable requirements including applicable performance standards, to achieve the same level of assurance and equivalence when compared to physically attended surveys. Survey items that could not be verified remotely should be examined by on-site survey.
4. the consultation with the Administration in case the survey has been delegated to an RO for the review and acceptance of RO's procedure for remote surveys, and for instructions for the execution and reporting of remote survey and for the verification and validation of remote survey by a physically attended survey.
5. the technical requirements for the use of remote surveys, such use of information and communication technology (ICT), mandatory use of two-way audio and video or other

* Refer to guidance to be developed by the Organization

alternative means of communication during surveys, confidentiality and security of information, data protection.

6. the roles and responsibility of the involved parties, including personnel involved in physical examinations and tests on board ship when gathering evidence on the condition of the ship and compliance with applicable requirements, with due consideration of appropriate arrangements to address impartiality and liability issues of personnel involved. In this regard, the current liability regime regulating the surveys between flags, recognised organisations and shipowners obligations shall not be changed.
7. the qualifications of personnel involved in physical survey activities on board ship and of the surveyors performing remote surveys.
8. the provision of information and evidence to the surveyor to confirm the scope of the survey and compliance with the applicable requirements including applicable performance standards, such as audio and video records, photo records, master's and crew statements, ship's logbook, service suppliers' reports, etc.
9. the reporting requirements and the transparency of information on the remote methods used in the ship's status indicating whether the surveys were carried out remotely or physically.

15.14.4 Under normal circumstances the following should apply:

- .1 initial and renewal surveys, except for documentary/data checks such as certificates, record books, operating manuals and other instructions should not be carried out remotely
- .2 for surveys, other than initial and renewal consideration may be given to a hybrid approach with the use of remote surveys for specified survey items in accordance with the Guidelines for remote surveys (to be) developed by IMO*, provided that the same level of safety and assurance as that of on-site surveys with the physical attendance of a surveyor is ensured. The completion of survey will normally require attendance of Surveyor.
- .3 bottom surveys afloat and annual surveys for which a methodology has been evaluated and agreed by the flag State against International Standards and the results of this evaluation have been submitted to the Organisation may be performed remotely.

* Refer to guidance to be developed by the Organization

ANNEX 2

SUGGESTED AMENDMENTS TO THE REVISED GUIDELINES ON THE IMPLEMENTATION OF THE INTERNATIONAL SAFETY MANAGEMENT (ISM) CODE BY ADMINISTRATIONS

(Proposed changes are shown in additions/deletions.)

(...)

4 CERTIFICATION AND VERIFICATION PROCESS

(...)

4.8 Safety management audits

4.8.1 The procedure for safety management audits outlined in the following paragraphs includes all steps relevant for all verifications, even if the scope of the audits for interim and additional verification may be different from that of the audits for initial, annual, intermediate and renewal verification.

4.8.2 Under extraordinary circumstances such as natural disasters, warfare or pandemic outbreak, consideration may be given to the use of remote auditing methods as described in ISO 19011:2018, "Guidelines for auditing management systems" and IAF MD 4:2018 "IAF Mandatory document for the use of information and communication technology (ICT) for auditing / assessment purposes" for the purpose of postponement of periodical audits or for follow-up of additional verifications, provided that a 'case-by-case' assessment is carried out by the Administration.

4.8.3 Until guidance on assessments and applications of remote audits is developed by IMO*, this 'case-by-case' assessment should, as a minimum address considerations such as:

1. the prerequisites for the use of remote methods, such as the safety performance of the ship and the company, type and age of ship and PSC performance.
2. the documented justification for the use of remote methods, such as extraordinary circumstances and/or force majeure situations that do not allow physical attendance of an auditor on board the ship or at the Company.
3. the scope of the remote audit, with consideration to those Safety Management System (SMS) activities that could be verified remotely for compliance with requirements of the ISM Code, to achieve the same level of assurance and equivalence when compared to physically attended audits. SMS activities that could not be verified remotely should be verified by on-site audit. While remote audits may not be able to replace in full the observations by the auditor of condition and implementation of safety management system procedures, including activities on board that are an essential part of the safety management audits on board ships, determination of the extent of their application is needed.
4. the consultation with the Administration in case the audit has been delegated to a recognised organisation for the review and acceptance of the recognised organisation's procedure for remote audits, coordination of audits, and for instructions for the execution and reporting of remote audit and for the verification and validation of remote audit by a physically attended audit.

* Refer to guidance to be developed by the Organization

5. the technical requirements for the use of remote audit methods, such use of information and communication technology (ICT), mandatory use of two-way audio and video or other alternative means of communication, document sharing, confidentiality and security of information, data protection, etc.
6. the roles and responsibility of the involved parties, including personnel involved in physical activities on board ship when gathering evidence on the condition of the ship and on the implementation of the SMS, with due consideration of appropriate arrangements to address any potential impartiality and liability issues of personnel involved. In this regard, the current liability regime regulating the audits between flags, recognised organisations and shipowners obligations shall not be changed.
7. the qualifications of personnel involved in physical activities on board ship and any additional qualifications of the auditors performing remote audits.
8. the provision of information and evidence to the auditor to confirm the scope of the audit and compliance with requirements of the ISM Code, such as audio and video records, photo records, master's and crew statements, ship's logbook, service suppliers' reports, records, etc.
9. the reporting requirements and the transparency of information on the remote methods used in the ship's status indicating whether the audits were carried out remotely or physically.

4.8.4 Under normal circumstances the following should apply:

- .1 For shipboard audits, consideration may be given to the hybrid approach with the use of remote auditing methods for specified SMS activities in accordance with the Guidelines for remote ISM Code audits (to be) developed by IMO*, provided that the same level of safety and assurance as that of on-site audits with the physical attendance of an auditor is ensured. In any case, periodical audits on board should not be fully replaced by remote audit
- .2 Company audits, for which a methodology has been evaluated and agreed by the flag State against International Standards, may be performed remotely.

* Refer to guidance to be developed by the Organization

ANNEX 3

Suggested principles for the Guidance on assessments and applications of remote surveys, ISM Code audits and ISPS Code verifications

The Guidance should address the need for harmonisation of requirements for the use of remote methods for surveys, audits and verifications with due consideration to the current legal framework since to date, there are no provisions or common procedures agreed at international level for the execution of class and statutory surveys, ISM audits or ISPS Code verifications by remote means, i.e. without physical attendance by surveyor(s)/auditor(s) on board ships.

The Guidance should define what could be considered as a remote survey, audit or verification and precisely describe conditions and circumstances under which these activities could be performed in consultation with the Administration, including the prerequisites and justification for the use of remote methods.

The Guidance should define the scope of remote surveys, audits or verifications with consideration to those items that could be verified remotely for compliance with applicable requirements, including performance standards or acceptance criteria.

Under normal circumstances, the use of remote methods should be considered in combination with the surveys, audits or verifications on board. Periodical surveys under HSSC Guidelines will require the attendance of a surveyor on board to confirm the results of remote surveys and to complete survey items not performed remotely and to endorse certificates. ISM audits and ISPS verifications will always require the attendance of an auditor on board to perform observation of activities and conditions.

The Guidance should define the requirements for the provision of information and evidence to confirm the scope of the remote service(s) and for compliance with applicable requirements, including performance standards or acceptance criteria, that should be reflected in survey/audit/verification reports.

The Guidance should define mandatory technical requirements for the use of remote survey/audit/verification methods such as two-way audio and video communication and should address the human element, i.e. qualifications of personnel involved in physical survey/audit/verification activities on board ship and those supervising such activities remotely, with due consideration of impartiality and liability issues.

The final acceptance of the methodology would normally require a validation phase of the methods by physical survey/ audit/ verification.

Therefore, the following considerations should be addressed in the Guidance:

1. the prerequisites for the use of remote methods for surveys, audits and verifications, such as the safety performance of the ship and the company, PSC performance, type and age of ship.
2. the documented justification for the use of remote methods for surveys, audits and verifications, and conditions and circumstances under which these activities could be performed remotely.

3. the scope of the remote surveys, audits and verifications, with consideration to those items that could be verified remotely for compliance with the applicable requirements, including applicable performance standards or acceptance criteria, to achieve the same level of assurance and equivalence when compared to physically attended surveys / audits / verifications. Items that could not be verified remotely should be verified by on-site survey / audit / verification.
4. the consultation with the Administration in case the survey/audit/verification has been delegated to a recognised organisation (RO) or recognised security organisation (RSO) for the review and acceptance of the RO's or RSO's procedure for remote surveys/audits/verifications, and for instructions for the execution and reporting of remote survey/audit/verification and where needed a verification and validation of remote survey/audit/verification by a physically attended survey/audit/verification.
5. the technical requirements for the use of remote surveys/audit/verification, such as use of information and communication technology (ICT), mandatory use of two-way audio and video or other alternative means of communication during surveys/audits/verifications, confidentiality and security of information, data protection. The confidentiality and security of information for ISPS verifications, in particular, needs to be ensured.
6. the roles and responsibility of the involved parties, including personnel involved in physical examinations and tests/audit activities on board ship when gathering evidence on the compliance with applicable requirements, with due consideration of appropriate arrangements to address impartiality and liability issues of personnel involved. In this regard, the current liability regime regulating surveys/audits/verifications between flags, recognised organisations, recognised security organisations and shipowners obligations shall not be changed,
7. the qualifications of personnel involved in physical survey/audit/verification activities on board ship and of the surveyors/auditors performing remote surveys/audits/verifications.
8. the provision of information and evidence to the surveyor/auditor to confirm the scope of the survey/audit/verification and compliance with the applicable requirements including applicable performance standards or acceptance criteria, requirements of the ISM Code or ISPS Code, such as audio and video records, photo records, master's and crew statements, ship's log book service suppliers' reports, etc.
9. the reporting requirements and the transparency of information on the remote methods used in the ship's and company's status indicating whether the surveys/audits/verifications were carried out remotely or physically
10. for audits, consideration should be given to confidentiality of interviews to crew members as well as to their availability and hours of rest.
11. for remote surveys, audits and verifications, consideration should be given to general data protection and security of transfer of data and information.

The Guidance should ensure that the confidence and credibility of the current survey/audit/verification regime is maintained to confirm that the ships are designed, constructed and maintained, and safety management systems are implemented on board and within the company, in compliance with the requirements of IMO conventions, codes and other instruments.