Introduction of a new Flag State Quality Control ("FSQC") Mechanism

This paper outlines a new Flag State Quality Control (FSQC) mechanism to streamline and enhance the regulatory control of ships under the Hong Kong Shipping Registry ("HKSR").

BACKGROUND

2.	As of December 2019, there are about 2 600 ships flying Hong Kong flag, amounting to a total of 128 million gross tonnage. Despite the enormous fleet size, the Hong Kong registered fleet as a whole has continuously sustained outstanding yearly port State control ("PSC") records and our performance is much better than the average world-wide detention rate. However, there are still ships that were detained or had been identified with multiple deficiencies in PSC inspections. It is clear that although the majority of our Managers and Owners are managing their ships well, a small number of ships do lag behind in quality. In examining the nature of the deficiencies recorded, we consider that these deficiencies are largely caused by lack of systematic maintenance, where the root causes vary from Manager to Manager.

3.	A new FSQC mechanism will be introduced to strengthen the efforts in identifying ships with systematic maintenance problem and working with Managers to improve their maintenance and management system on board ships in accordance with ISM requirements. Through the implementation of this new mechanism, we strive to achieve the ultimate goals to prevent recurrence of deficiencies, improve safety of crew and passengers on board, reduce risks of pollution and promote health and welfare of seafarers.

THE NEW FSQC MECHANISM

FSQC Audits to be carried out by MD

4.	Under the new FSQC mechanism, a number of ships will be identified for FSQC Audit based on MD's risk assessment on each individual ship.	The risk assessment will be conducted by making reference to, among others, the ship's PSC performance in the recent past three years, past records of ports of call and risks of systematic failures of maintenance management.	The frequency or likelihood of the ship entering ports which are known of exercising stringent PSC inspection will be also considered.

5.	An on-board FSQC Audit will focus on establishing the effectiveness of the ship in the implementation of a maintenance management system.	The audit will assess whether root cause analysis for any deficiencies found has been properly carried out and suitable preventive actions are implemented.	In other words, it is to confirm whether the Manager has exercised due care and diligence in rectifying deficiencies in accordance with ISM principles.	In addition, should a ship be identified as having high risk of being subject to port State detention in ports, MD will perform a mock PSC inspection to better prepare the crew and the ship for the forthcoming PSC inspections.

6.	FSQC Audit will take less than 8 hours on board given that the intent of the audit is not aimed to discover deficiencies exhaustively.	In fact, MD will spend more time and effort with the Managers at shore if on-board audit indicates that the maintenance management system of a ship needs to be improved.

Extended On-board Inspection

7.	If a ship is detained by PSC, an extended on-board inspection may be requested by MD.	If it is so requested, MD will specify the inspection scope and the Manager shall appoint a Recognized Organization ("RO") to carry out the extended inspection.	Thereafter and within 6 months, MD will carry out an on-board FSQC Audit as detailed in paragraphs 4 to 6 above in order to ascertain that the deficiencies have been properly dealt with in accordance with the ISM principles.

8.	An extended on-board inspection will also be requested by MD if a ship is found with serious deficiencies during FSQC Audit as mentioned in paragraphs 4 to 6 above.

Pre-registration Assessment for Ships applying for HKSR registration

9. For all ships applying for registration with HKSR, an office bound risk assessment will be performed. When necessary, an on-board Pre-registration Inspection will be requested by MD and the relevant Manager shall appoint a RO to carry out Pre-registration Inspection in accordance with the scope specified by MD. Subject to the RO's inspection report together with the Manager's remedial actions, if any, as completed, MD will then decide if the ship is allowed to be registered with HKSR.

FEES

10. The FSQC Audit carried out by MD is free of charge. Whenever RO is involved under the new FSQC mechanism, the RO's fee will be settled by the Manager/Owner.

CONCLUSION

11. Under the new FSQC mechanism, more emphasis will be placed on the effective implementation of shipboard maintenance management system with stronger bond between MD and ship managers, the overall quality of Hong Kong fleet and PSC performance of Hong Kong ships should further be improved.

ADVICE SOUGHT

12. Members are invited to note and comment on the new FSQC mechanism.

Ship Safety Branch
Marine Department
January 2020