REPUBLIC OF PANAMA

MINISTRY OF AGRICULTURAL DEVELOPMENT

EXECUTIVE DECREE No. 17

(of June 30, 2008)

"Whereby the installation of Satellite Positioning Equipment is established for the Panamanian fishing fleet of International Service with International Fishing License, the provision of the Satellite Monitoring Service is regulated and other provisions are issued".

THE PRESIDENT OF THE REPUBLIC,

in use of its constitutional and legal powers

WHEREAS:

That the Vessel Satellite Monitoring System is a fundamental tool for the monitoring and control of the Panamanian fishing fleet.

That at present there are measures to remedy the situation generated by the lack of control, and it is convenient to install and incorporate satellite positioning equipment to the Panamanian international fishing fleet, in order to have a more effective control over the vessels authorized to carry out fishing activities in the different jurisdictions at a national and international level.

That the FAO (Food and Agriculture Organization of the United Nations) Code of Conduct for Responsible Fisheries states that Contracting States shall establish effective mechanisms for the monitoring, surveillance and control of fishing, as well as for the implementation and enforcement of regulatory standards, and those adopted by agreements of sub-regional or regional organizations.

That it is the responsibility of the countries to have control of their fishing fleet and to implement and follow up on the measures established to prevent, discourage and eliminate Illegal Unreported and Unregulated Fishing (INDNR in Spanish), as part of thestrategies of the FAO Plan of Action on Illegal Fishing and CONVEMAR (in Spanish), with a view to achieving the conservation and management of straddling fish, highly migratory fish and aquatic resources in general.

That there are modern, efficient and economic systems of great technological diversity in the market, qualified for the satellite monitoring of vessels that have the purpose of satisfying the adequate technical requirements so that the Aquatic Resources Authority of Panama (ARAP in Spanish) can exercise the due control of the vessels with International Fishing License that fish on the high seas.

That for the purpose of implementing the Satellite Monitoring System of the fishing fleet and considering that it allows access to other services by the parties involved according to their needs and the possible and necessary continuous updating of the computer systems involved, it is convenient that different companies may provide the service, thus opening a healthy competition, in order to progressively obtain a better price and a better quality of service for the user.

Having evaluated different alternatives, it is convenient to implement the operation of the system at the expense of the administered parties, establishing the minimum characteristics and conditions to be required and the necessary and sufficient safeguards regarding the integrity and confidentiality of the data.

For reasons of timeliness, merit and convenience, it is considered pertinent to promptly implement a Fleet Control Platform that allows carrying out the control tasks in an automatic, practical and efficient manner and at no cost to the National Government.

That the implementation of these satellite monitoring systems will considerably support the ARAP (in Spanish) in its functions of inspection and control of the vessels with International Fishing License, with the purpose of complying with the fishing management measures dictated by the Panamanian regulations and by the Regional Fishing Organizations, as well as by thefishing administrations of other jurisdictions in which the vessels carry out their activities.

That numeral 15 of Article 21 of Law No. 44 of November 23, 2006 provides that the General Administrator of the ARAP (in Span ish) has the function of establishing the organization of the Authority and in general, to adopt all the measures deemed convenient for the organization and operation of the fishing and aquaculture sector, for the adequate management of the marine-coastal resources.

By virtue of numeral 1 of Article 4 of Law No. 44 of November 23, 2006, the Aquatic Resources Authority of Panama is responsible for proposing, coordinating and executing the national policy for fishing, aquaculture and marine-coastal resources.

Sandra-Naranjo de Cornejo Certified Public Translator Spanish-English-Spanish Res. 4924, September 9, 2019 Panama, Republic of Panama That in accordance with the principles of Fisheries Management, it is the duty of the Panamanian State to adopt the measures it deems necessary to guarantee the sustainable use of fishery resources, based on scientific data, in order to maintain their availability for the benefit of future generations, guaranteeing their food security and the conservation of the genetic patrimony of the Panamanian population.

DECREES:

Article 1: Panamanian vessels of International Service with International Fishing License shall incorporate a satellite positioning equipment of the fishing fleet that allows the Aquatic Resources Authority of Panama (ARAP in Spanish) to know their position and, by means of a speed differential, the activity they are carrying out, in order to guarantee the sustainable use offishing resources.

Article 2: The satellite positioning equipment of the international fishing fleet that is installed shall have safety devices that guarantee as a minimum:

- 1. redundant power supply in case of failure of the ship's electrical system; the backup system shall ensure at least 24 hours of normal transmissions,
- 2. transmission of an event indicating the lack of main power supply,
- 3. sensors that detect the eventual disconnection or removal of the equipment; in turn, these events must be communicated with a distinctive message,
- 4. a panic button in compliance with the Ship Security Alert System (SSAS) regulation established by the International Maritime Organization (IMO in Spanish),
- 5. compatibility with the Long Range Identification and Tracking (LRIT) requirement established by the SOLAS convention, signed by the Republic of Panama, which will be an indispensable requirement for refrigerated fishing support vessels as of January 1, 2008,
- 6. bi-directional communication, allowing ARAP (in Spanish) to remotely request positioning in case of lack of transmission,
- 7. durability and resistance to both marine conditions and the climatic conditions to which they may be exposed at sea.

Article 3: The owners and shipbuilders of vessels with Panamanian International Fishing License shall be responsible for the regular and constant operation of the equipment on board, for which they must keep the satellite signal activated at all timesto allow the ARAP (in Spanish) to know their position and the activity they are carrying out. The interruption of the signal in two (2) or more consecutive reports constitutes a serious offense and entails the application of the corresponding legal sanctions.

Paragraph: Those vessels that have not complied with the obligations arising from this provision shall be exempted from these sanctions, when the non-compliance has been caused by a fortuitous event, and in such cases the owner or the shipbuilders shall notify the Authority of the corresponding case within a period not exceeding 24 hours from the occurrence of the event.

Article 4: The ARAP (in Spanish) shall grant in concession, through a contract, the provision of the Satellite Monitoring Service of the Panamanian fishing fleet of International Service to the legal person(s) that meet the requirements established in this Decree, and shall be duly empowered to limit or increase the number of concessionaires, if the activity or the circumstances so require.

Article 5: ARAP (in Spanish) will receive from the concessionaire the provision of the Satellite Monitoring Service of the vessels under its jurisdiction free of charge, and will also receive, free of charge, the engineering support in the development of the applications (software) for fleet control, through a virtual platform, as well as all the equipment (hardware) necessary to monitor the fishing fleet in an efficient and effective manner.

Article 6: ARAP (in Spanish) may suspend the Concession Contract to the subscribed server companies, when it is proven that the requirements for safeguarding the integrity of the data have not been complied with or when any provision set forth in this Decree is violated, without prejudice to the corresponding civil and criminal penalties for falsehood, adulteration, suppression, destruction and security of data.

Article 7: Once the Concession Contract is signed, the companies that provide the Satellite Monitoring service for the International Service vessels with Panamanian International Fishing License, shall inform the ARAP (in Spanish), through its server company, the user name and the corresponding password for direct access to the data reported by the indicated equipment.

Article 8: In order to qualify for the subscription of the Concession Contract for the Provision of Satellite Monitoring Services to International Service Vessels with International Fishing License, the legal person(s) must comply with the following requirements:

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- 1. formal request, by means of a memorial, addressed to the Administrator of the Aquatic Resources Authority of Panama, with four balboas in stamps attached per page, containing the data of the natural or juridical persons,
- 2. authenticated copy of the company's articles of incorporation,
- 3. certification of the Public Registry of the company,
- 4. description of the systems for safeguarding the integrity of the information to be implemented,
- 5. certified copy of the contract with the satellite communication service provider,
- 6. affidavit stating that the company is able to comply with the basic requirements established by this provision,
- 7. demonstrate the ownership of all software licenses that are part of its platform, as well as the ownership of the source codes that allow the modifications that ARAP (in Spanish) may request in the future,
- 8. have at least five (5) years of proven experience in the field of satellite monitoring services and must have its own programs and applications, which may not be outsourced,
- 9. to provide both a Fleet Control Platform and the corresponding technical support and positioning equipment required, under a help desk scheme, twenty-four (24) hours a day, seven (7) days a week,
- 10. detail of the totality of the services to be rendered for each particular case, which shall include, at least, the following:
- A. identify the equipment, registration and name of the fishing vessel concerned, date and time in GMT (Greenwich Meridian Time), position in latitude and longitude in degrees, minutes and seconds, course in degrees, and speed in knots,
- B. the satellite communications system used shall have 100% worldwide coverage and shall not have waiting times of more than 10 minutes or periods of concealment.
- C. the time shall be recorded by the equipment with seconds accuracy reporting the date and time in (HH/MM/SS) format,
- D. the above information shall be available at all times and the transmission frequency of the equipment shall be a maximum of two (2) hours,
- E. modify the reporting frequency of the equipment installed on board and perform particular interrogations at any time of the day by the ARAP (in Spanish), if deemed convenient. For this purpose, the necessary tool shall be available on the corresponding platform.
- F. the tools or applications necessary to carry out the interrogations and reprogramming of the mobile equipment installed on board, in accordance with the communications protocol used, and the person in charge shall be responsible for the timely and proper compliance with this requirement,
- G. availability to ARAP (in Spanish) of the historical information from the mobile equipment, which the provider company registers in its databases,
- H. the internal procedures and instructions implemented and in force related to the regular and permanent verification of the integrity and security of the data in its system, as well as the management of access codes to it,
- I. a Fleet Control Platform that provides these services worldwide, which shall be open, standard and based on the use of the Internet. This Control Platform shall have, as a minimum, the following capabilities:
- I. an automatic notification tool that communicates to ARAP (in Spanish), and to the owners or ship builders about any eventuality or any irregularity incurred by the vessel,
- II. Updated nautical cartography of international waters, indicating ports, accidents, protected areas, special management zones, anchorage, depths, as well as any additional information established by ARAP (in Spanish), which may be updated whenever required,
- III. capacity to be used via the Internet without the need for special programs or applications,
- IV. capacity to allow the demarcation of prohibited zones and their corresponding assignment to specific vessels according to their activity. The violation of these zones shall generate an alarm in the system, which shall be recorded and shall be notified to the related authorities as well as to the owners of the vessels involved,
- V. capacity to allow the identification of the different types of vessels with distinctive icons, according to the authorized fishing activity,
- VI. to have physical facilities in the Republic of Panama in order to maintain the standards of transparency in auditing,
- VII. the platform shall have no limitations as to the number of vessels to be incorporated.

Article 9: A Contracts Registry is hereby created under the responsibility of the ARAP (in Spanish), in which the contracts entered into between the concessionaires rendering the service and the administered parties shall be registered and in which a report shall be included on the characteristics of the fleet positioning equipment installed on board the fishing vessels, indicating the make, model and serial number thereof, as well as any change that may occur in them.

Sandra Naranjo de Cornejo Certified Public Translator Spanish-English-Spanish Res. 4924, September 9, 2019 Panama, Republic of Panama Article 10: In the contracts signed between the concessionaire service provider and the owner or shipbuilder, it shall be expressly stated that the service provider shall undertake to guarantee the integrity of the data received and stored, establishing backup, disaster recovery and contingency procedures; likewise, it shall have the information security tools that guarantee the absolute privacy of the data, preventing them from being altered by itself, its clients or third parties and submitting itself to the controls provided by ARAP (in Spanish).

Article 11: For the due registration of the contracts, the ARAP (in Spanish) shall require an authenticated copy of the contract signed by the owner of the vessel or shipbuilder with the concessionaire providing the service, in addition to the documentation that proves the installation and activation of the respective positioning equipment in the vessel object of the contract, verifying that the vessel's beacon emits an active signal in the control platform of the ARAP (in Spanish), without which the person in charge shall not have the right to the issuance or renewal of the Fishing License.

Article 12: The companies that currently provide satellite monitoring services to the Panamanian international fishing fleet shall have a period of six months from the entry into force of this Decree to update their positioning systems to the standards established by this regulation.

Article 13: ARAP (in Spanish) may audit the companies to verify the information on the vessels that maintain contracts with the supplier companies when it deems it convenient.

Article 14: Violations of this Decree shall be sanctioned by ARAP (in Spanish), in accordance with the provisions of Law 44 of November 23, 2006 and Article 297 of the Fiscal Code.

Article 15: The present Decree repeals in all its parts Resolution ADM (in Spanish)-No.101-99 of August 4, 1999, issued by the Panama Maritime Authority, as well as any provision contrary thereto.

Article 16: The present Decree shall become effective as of its promulgation in the Official Gazette.

Given in the city of Panama, on the thirtieth (30th) day of the month of June of the year two

thousand eight (2008).

BE COMMUNICATED AND COMPLIED WITH.

(Signed Illegible)

MARTÍN TORRIJOS ESPINO

President of the Republic

(Signed Illegible)

GUILLERMO A. SALAZAR N. Minister of Agricultural Development

THIS IS A TRUE TRANSLATION FROM THE SPANISH ORIGINAL Panama, May 12, 2021

Sandra Naranjo de Corné, Certified Public Translator Spanish-English-Spanish Res. 4924, September 9, 2019 Panama, Republic of Panama