Mutual Recognition Study

December 2014

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The European maritime technology industry envisages one set of rules and certificates meeting the highest level of safety requirements whereby classification societies would compete on service offered to the industry.

Objective and Scope of the Study

The objective of this study is to provide the European Commission, European Parliament, Council of the European Union and individual Member States with the SEA Europe vision, expectations and recommendations in respect of the implementation of Mutual Recognition as required by Art. 10.1 of EC 391/2009 (the regulation).

Scope of Study

The study will analyse the procedures and steps made by the European Recognised Organisations (ROs) between June 2009, when the regulation came into effect, and spring 2014. It will offer policy recommendations to the European Commission for consideration in their report to be delivered to the European Parliament and the Council as per Art. 10.2 of the regulation.

The following questions have been identified by SEA Europe as relevant and will be addressed in the study:

- What has been the experience of the application process for a Mutual Recognition certificate?

- What are the advantages of the EU ROs approach?

- Is there a perceived improvement of the process of classification?

- How far should Mutual Recognition go?

The scope covers feedback received by SEA Europe after extensive industry consultation (56 member companies) of both marine equipment manufacturers and shipbuilders.

The study will start by setting the scene, giving background information on the purpose of classification and the importance of safety in relation to the regulation. It will then go on to describe the consultation process with the industry and the outcome of research undertaken in order to identify the bottlenecks of the proposed approach and perception of the sector with relation to the proposed Mutual Recognition scheme.

Finally this study will outline a number of policy recommendations which could be implemented in the short to medium term in order to improve the process of moving towards mutual recognition thereby providing real added value to the sector.

1. Setting the Scene
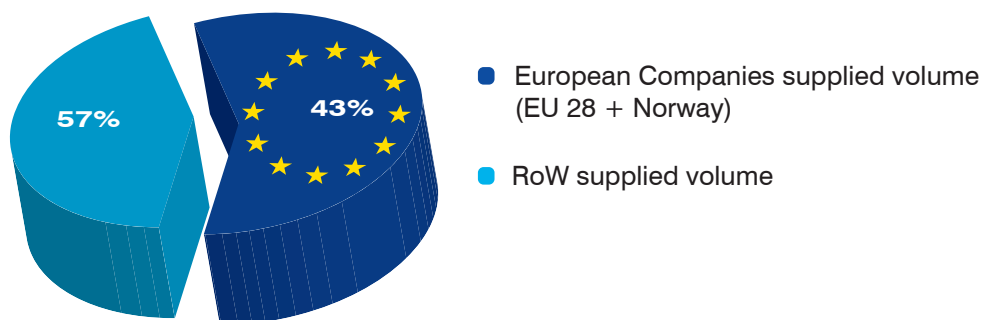
The European Maritime Technology Industry[1]

Strength of the European Sector

The European maritime technology industry is a very heterogeneous industry comprising very large system manufacturers and integrators together with small and medium sized companies and manufacturers of components. The sector serves different end product related markets as providers of equipment and systems. The main markets can be identified as follows:

- Newbuilding of merchant ships and offshore ships

- Offshore facilities (renewables)

- Ship repair and conversion of merchant ships

- Naval shipbuilding, maintenance and repair

- Retrofitting of ships and maritime structures

- Boatbuilding

- Offshore platforms, jack-ups, etc. for oil and gas Other marine and maritime markets

In a recent European Commission study, the total world market for marine supplies is estimated at €125bn. This gives Europe a market share of 43% of the global total[2].

World Market Marine Supplies = 125 BN €

- 57%
- 43%
- European Companies supplied volume (EU 28 + Norway)
- RoW supplied volume

In terms of employment the European marine equipment (EU28 incl. Norway and Turkey) industry has approximately 450.000 persons (full time).

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1) Definition: the European maritime technology industry encompasses all the enterprises involved in the design, construction, maintenance and repair of all types of ships and other relevant maritime structures, including the complete supply chain of systems, equipment, services and supported by research and educational institutions.

2) Study on the Competitive Position and Future Opportunities of the European Marine Supplies Industry, DG Enterprise, 2014: http://ec.europa.eu/enterprise/sectors/maritime/documents/index_en.htm

Safety

The unique selling point of European manufactured equipment and vessels is the unwavering emphasis on safety and quality in engineering and development of products and services. Classification of vessels and equipment has stemmed from the need of underwriters to assess the quality of ships which were being insured. Therefore the manufacturer and classification societies have a mutual interest in maintaining the highest standards of safety for maritime products.

The types of ships which the European industry currently specialises in building (passenger, cruise, offshore, etc.) are highly complex vessels – a complex integration of high tech systems. It is often stated that up to 80% of a vessel is made up of technology. This has resulted in the European maritime equipment industry evolving into a sector building highly complex systems for vessels which are an intrinsic part of the European consciousness. In the event of system failure, the resulting accident could have a real impact on civil society (cruise) or environment (offshore).
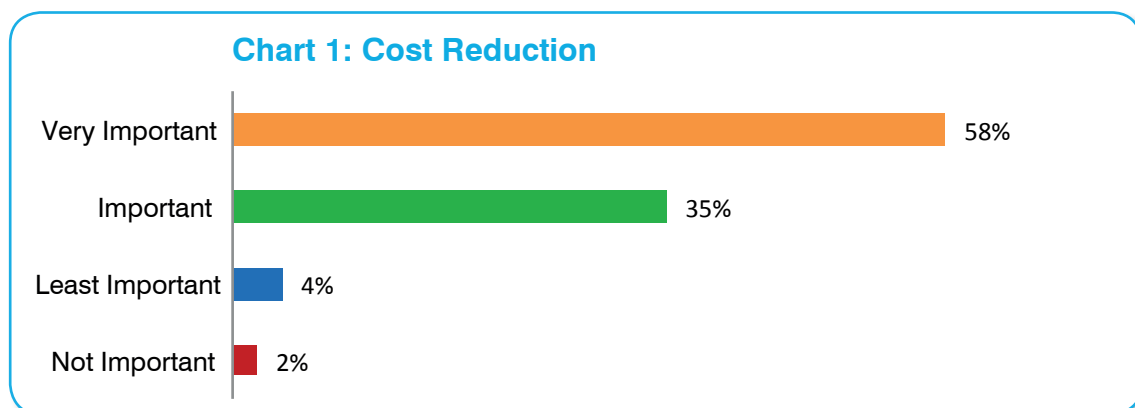
These are scenarios in which European technology manufacturers would not risk their reputations, and they often go beyond the requirements which are internationally or regionally imposed. Non-compliance is not an option. The industry's concern is that rulemaking, as determined by the individual requirements of the 12 EU ROs, should not suffocate a manufacturer's competitiveness by being subject to an overly bureaucratic process.

Certification and Type Approval

The **Type Approval** Process for manufacturers as required by IMO regulations, flag states and also classification societies themselves is structured in three steps.

1. The supplier has to submit the application information (e.g. copies of applicable drawings and datasheets; test results; sufficient data to verify compliance with stated standards; additional specified information related to the application)

2. The Classification Society then executes the design evaluation, prototype testing, management assessment (performed by local surveyors) and production assessment (performed by local surveyors)

3. The certificate is issued to the supplier (in general valid for 5 years)

Type approvals provide manufacturers with a major pre-condition for the marketing of their products in the maritime field. However, more often than not **more than one type approval certificate is needed** for an individual product – this of course entails a **high cost and administrative burden for the manufacturer**.

Chart 1: Cost Reduction

Very Important	58%
Important	35%
Least Important	4%
Not Important	2%

N.B.: The charts have been compiled by a SEA Europe Mutual Recognition Survey which was carried out in Spring of 2014. 56 companies responded to the survey ranging from large system suppliers to smaller component manufacturers from across Europe.

Chart 2: Reduction of Administrative Burden

Very Important	65%
Important	35%
Least Important	0%
Not Important	0%

There are direct and indirect costs for the manufacturer associated with the current process. The direct cost for the classification process has been estimated at between 3-5% of a manufacturer's turnover. This is a cost which reportedly can traditionally be passed back to the customer as part of the price for the product. However, there are also large indirect costs in the time and effort company employees spend pursuing type approval applications which can take anything from 6 months to up to 2 years to conclude. This can be a real burden for small and medium enterprises which have limited financial and staff resources.

Mutual Recognition for Manufacturers

Mutual recognition of type approvals by different classification societies and flag states should provide cost effective management of business resources through the harmonised application of available regulations and standards.

It effectively already exists in the **European Marine Equipment Directive** (96/98 EC - MED), which sets out a best practice and process of mutual recognition of type approval certificates in several product categories (lifesaving appliances, MARPOL equipment, fire safety equipment, navigation equipment, radio communication equipment, SOLAS Chapter II equipment and COLRG equipment) for equipment to be installed on European flagged vessels. Several flag states outside the EU also automatically approve and accept MED certified products.

European Maritime Technology Manufacturers Vision for the Future

The European maritime technology industry takes the view that there is a lack of uniform regulatory requirements, resulting in substantial costs for manufacturers and administrative burden for the industry and therefore it has the following vision to support its future competitiveness:

The European maritime technology industry envisages one set of rules and certificates meeting the highest level of safety requirements whereby classification societies would compete on service offered to the industry.

Ideally the uniform rule book should be set at international level; however a two-step approach could be seen as a way forward. Firstly an EU standardisation regime could be created, taking the experience of the MED as an appropriate example and then the creation of a European certificate which would be mutually recognised by all regulatory bodies in Member States and by third country Flag-States.

This vision is very ambitious and would require a fundamental paradigm shift in the current classification regime and business models of the classification societies. The European maritime technology industry therefore welcomes the European Commission's regulation 391/2009 which introduces the concept of mutual recognition of certificates.

Article 10 of Regulation EC 391/2009

Article 10 (1) of Regulation EC 391/2009 states:

"Recognised organisations shall consult with each other periodically with a view to maintaining equivalence and aiming for harmonisation of their rules and procedures and the implementation thereof. They shall cooperate with each other with a view to achieving consistent interpretation of the international conventions, without prejudice to the powers of the flag States.

Recognised organisations shall, in appropriate cases, agree on the technical and procedural conditions under which they will mutually recognise the class certificates for materials, equipment and components based on equivalent standards, taking the most demanding and rigorous standards as the reference."

SEA Europe interprets Article 10, applicable since June 2009, as pursuing the objective of improving the quality and the efficiency of classification through the consolidation of the existing body of class rules and the rationalisation of the current certification practices without compromising safety.

To achieve these objectives, the Regulation entrusts EU Recognised organisations (ROs) with two tasks:

1. Setting up a consultation mechanism with the aim of achieving harmonisation of rules and procedures and the interpretation thereof. The work towards a homogenous system of class rules extends also to the interpretation of international conventions.

2. To define the conditions for mutual recognition of certificates, i.e. the possibility that a RO relies on the tests and surveys carried out by another RO, whose results are therein incorporated in the certificates issued by the latter, rather than repeating those tests and surveys in order to issue a new certificate.

Regulation EC 391/2009 provided a clear indication of the timeframe for which ROs were expected to deliver results in the implementation of Article 10 (1): pursuant to Article 10 (2), by 17 June 2014.

The Commission shall submit a report to the European Parliament and the Council on the level of mutual recognition reached through the process of harmonising the rules for materials, equipment and components.

The Legal Interpretation of Article 10.1, EC 391/2009 (Industry)

To evaluate the implementation efforts by the ROs and seek the way forward, one should refer to the original purpose of Article 10 of Regulation (EC) 391 2009 and the obligations that it has imposed on the ROs.

Paragraph 17 of the preambles states that*:*

(17) Recognised organisations should be obliged to update their technical standards and enforce them consistently in order to harmonise safety rules and ensure uniform implementation of international rules within the Community. Where the technical standards of recognised organisations are identical or very similar, mutual recognition of certificates for materials, equipment and components should be considered in appropriate cases, taking the most demanding and rigorous standards as the reference.

According to the wording of paragraph 17, the whole purpose of the mutual recognition is to harmonise safety rules and their implementation, simplify procedures and reduce the number of certifications. Mutual recognition of certificates means <u>fewer</u> certificates and <u>higher</u> standards.
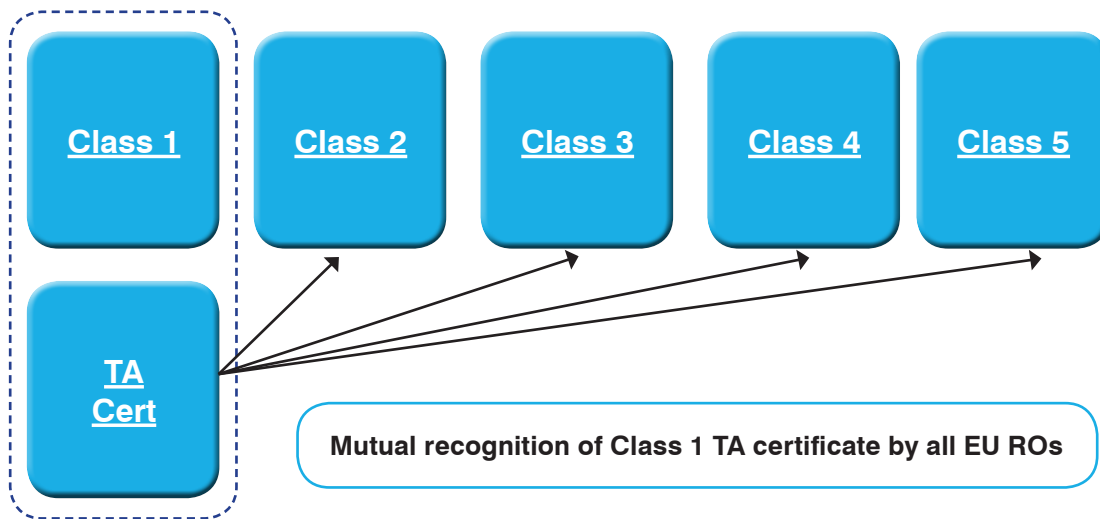
The following section of the Regulation:

Recognised organisations shall, in appropriate cases, agree on the technical and procedural conditions <u>under which they will mutually recognise the class certificates for materials, equipment and components based on equivalent standards</u>, taking the most demanding and rigorous standards as the reference. Where mutual recognition cannot be agreed upon for <u>serious safety reasons</u>, recognised organisations shall clearly state the reasons therefor.

According to SEA Europe's interpretation the ROs are obliged to agree on equivalent standards under which they will mutually recognise each other's certificates.

Therefore, in light of the Regulation and the goals it wants to achieve, the ROs shall carry out the following tasks:

- Compare the current technical and procedural conditions applied at various ROs

- Define the conditions for mutual recognition of certificates, i.e. equivalent standards

- Set up selection criteria under which the ROs can be qualified as meeting equivalent standards

- List the ROs who at present comply with equivalent standards

- For ROs who meet equivalent standards, the tests and surveys carried out and the certificates issued by them will be mutually recognised among themselves

| Class 1 | Class 2 | Class 3 | Class 4 | Class 5 |

TA Cert

Mutual recognition of Class 1 TA certificate by all EU ROs

The immediate expectation of the industry in 2009 was that certificates would be accepted directly. This would be the way that the regulation would be interpreted and it would provide immediate benefits to the sector by reducing the cost of certification and vastly reducing the administrative burden to the company. It is disappointing to report that this is far from the reality of the situation.

2. State of Play 2014

The EU ROs Approach to Meeting Article 10

The EU ROs have limited their scope, of MR, to low safety critical products found in Level 3 of their Safety Criticality Hierarchy. This means products with Type Approval certificate alone are sufficient for its acceptance (i.e. no further individual or product certificate is required).
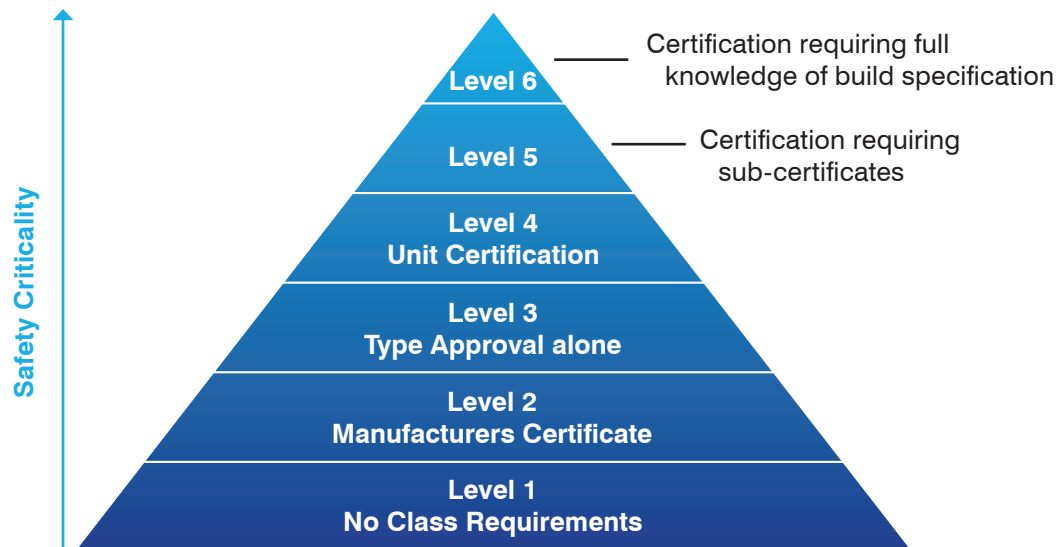
Figure 1: Class Safety Criticality Hierarchy[3]

The ROs have chosen to develop a set of common Technical Requirements (TRs) taking the most "demanding and rigorous standards" as a reference for the identified marine equipment. This means that directly accepting each other's standards as equivalent and recognising each other's certificates at face value would not be possible. The reason is that this form of recognition could lead to difficulties in consistency and meeting the most demanding and rigorous standards and hence compromising safety.

It should be noted that the criteria a classification society has to adhere to as an EU RO as stated under Article 5 of 391/2009 is as follows:

"Where the Commission considers that a recognised organisation has failed to fulfil the minimum criteria set out in Annex 1 or its obligation under this regulation, or that safety and pollution prevention performance of a recognised organisation has worsened significantly, without, however, it constituting an unacceptable threat to safety or the environment, it shall require the recognised organisation concerned to undertake the necessary preventative and remedial action within specifies deadlines to ensure that full compliance with those minimum criteria and obligations and, in particular, remove any potential threat to safety or the environment, or to otherwise address the causes of worsening performance.

The preventative and remedial action may include interim protective measures when the potential threat to safety or the environment is immediate"[4].

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3) Mutual Recognition within Ship Classification, First Report to the European Commission and the Member States, EU Recognised Organisations, October 2012)
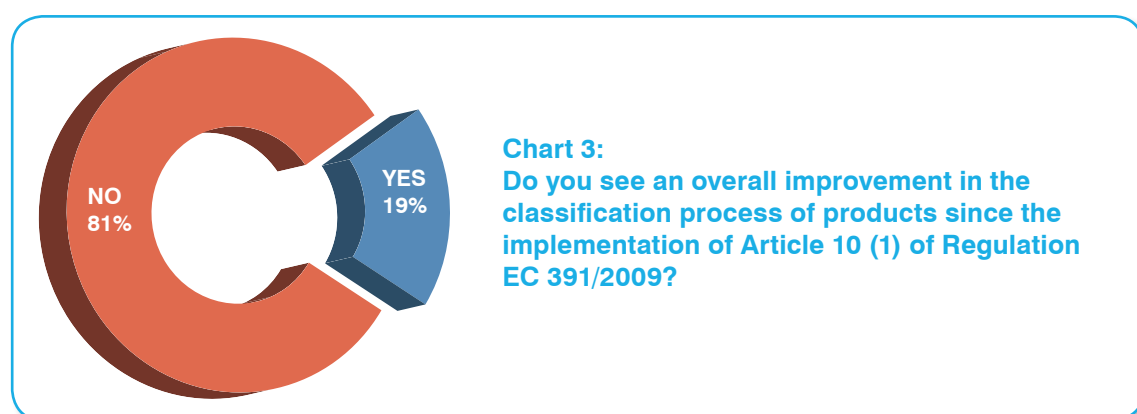
4) Article 5 of Regulation 391/2009 on Common Rules and Standards for Ship Inspection and Survey Organisations: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:131:0011:0023:EN:PDF

It could be concluded from this article that in order to be accepted as an EU RO the body in question has to adhere to strict obligations and have a significant safety track record, or it could have fines imposed on them or lose EU recognition. It could therefore be argued that the EU ROs who have been granted EU recognition already acknowledge that the rules they have in place are the most demanding and rigorous avoiding any 'unacceptable threat to safety or environment'.

It could be called into question as to why the EU ROs have had to develop a new set of rules in order to be mutually applicable to all ROs when their existing rules are, by general acknowledgement, drafted to avoid unacceptable threats to safety. In essence the industry had expected them to directly accept each other's standards.

The European Marine Equipment Industry Perception of RO Approach

The European marine equipment industry had undoubtedly a different interpretation of Art 10 and expectation of how the regulation would be implemented. Four years since the adoption of Regulation EC 391/2009 the general feeling is that there has not been an overall improvement of the classification process of products.

Chart 3:
Do you see an overall improvement in the classification process of products since the implementation of Article 10 (1) of Regulation EC 391/2009?

On the whole there has not been a reduction of administrative burden or cost for companies with regard to the MR scheme. Nevertheless there have been some positive experiences over the last four years with more cooperation between classification societies especially when considering the adaption of business models and development of alternative certification processes.

Since the publication of the EU ROs report, "Mutual Recognition within Ship Classification" in October 2012 there has been a real drive to communicate to the industry the proposed approach of mutual recognition of low safety criticality type approval certificates. With particular emphasis on the products listed in Tiers 1-3[5]. These products were selected because they have 'common or near common' requirements and following a risk assessment, are deemed not to compromise safety.

Since the publication of the report it is evident that a majority of companies are aware that the ROs are offering a list of products (Tier 1-3) for mutual recognition.

However of those who are aware of the products being offered for a MR certificate, around 44 % of them are interested in these products and have at least one of these products in their portfolio.

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5) Agreed Technical Requirements for Mutual Recognition:
http://www.euromr.org/technical-requirements

Despite interest in the product list, those companies which have actively applied for a mutual recognition certificate, to SEA Europe's knowledge, remains limited. The product areas where there is most interest, at the time of writing, are:

1. Sensors
2. Electric Driven Motors
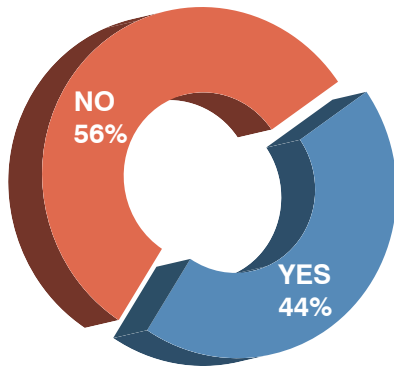3. Display Monitors, Video Screens and Terminals

Chart 4: If Yes, are you interested in these products, i.e. do you have at least one of these products in your company's portfolio?
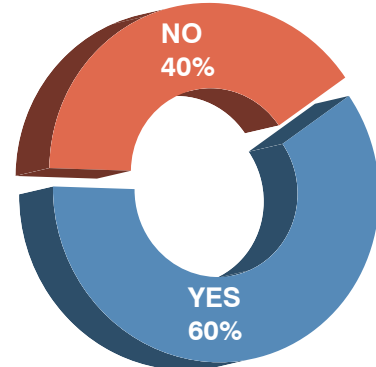

Chart 5: Are you aware of the list of products offered by the EU ROs for Mutual Recognition (Tier 1-3)?

Experience of Applying for Mutual Recognition

As with most procedures which have been launched there is often a teething period which needs to be overcome and therefore it is interesting to note the feedback from the industry with relation to the EU RO approach.

1. **Requirements are not 100% coherent with the product portfolio** and therefore either they have to be adjusted or companies cannot apply for a MR certificate.

2. **Time lag** in request for a MR quotation (many months)

3. **Lack of understanding** of the process from **surveyors'** offices

4. Certificate issue **cost is unrealistically high**

5. **Lack of understanding of application requirements** of submitted products

6. **Concern** that MR certificates will **not be accepted prima facie by local surveyors**

Of course there are companies who have been 'waiting to see' what happens with the maturation of the process. In this case in order of priority the following product areas under the identified Tiers 1-3 which are most likely to see applications for MR as follows:

1. Computers and PLCs
2. Switches
3. Display Monitors, Video Screens, Terminals
4. Contactors
5. Circuit Breakers
6. Electric / Electronic Relays
7. Fuses
8. Air Pipe Automatic Closing Device
9. LV Enclosures and Boxes
10. Heating Cables
11. Valve Actuators
12. Sensors

However there are a number of barriers which have been identified which are preventing companies from taking the step to apply for MR.

Product Requirements are Stricter than the Current Regime	Test Requirements are Stricter than the Current Regime	No Advantage of MR
• Exclusion of specific components • Components included which have not been subject to certification previously	• Requirement for witness of type tests (MR not applicable for renewal of TAs.)	• Problems with global recognition of MR certificate
Problems Regarding International Recognition	**Await other Companies Experiences**	**Other**
• It has been reported that certain Flag States do not recognise the MR certificate (e.g. Japan, Russia) • Reluctance to have MR recognised by Ship-owners, Insurance Companies	• Resolution needed of other bottlenecks to have a seamless application process	• System manufacturers integrate components which have certificates. Therefore MR is out of scope • Products are not yet listed • Already have valid TA certificates. Upon renewal of these, MR may be considered as an option.

Advantages of using the Proposed MR Approach

All respondents to the SEA Europe Mutual Recognition Survey see that there are advantages to be had from using the proposed approach for Mutual Recognition. It has to be acknowledged that the current approach is still in infancy and many manufacturers report that there is to date not enough experience with the process. However, if the question can be interpreted as what advantages do you see of using mutual recognition then the following can be concluded:

Advantage	Reasoning
Reduction of Cost	• Less type approval certificates necessary than under the current regime (estimated 50-80% reduction) • Less personnel time needed to apply for certification • Reduction of overheads
Time Saving	• Simplification of certification process (harmonisation of rules) • Decreasing administrative burden (less paper work)
International Level Playing Field	• Make European more competitive, particular in Asian markets where it is known that Type Approvals have an entirely different cost base for manufacturers
Improvement of Safety	• The development of one set of requirements at the most stringent standards will allow the manufacturers focus on improving safety than on completing paperwork

The perceived advantages of the proposed MR approach is in line with the initial expectations of the manufacturers seeking an overall reduction of cost and administrative burden and the resultant aim of increasing competitiveness.

It is reported that the current approach could offer a real opportunity to reform the process, however, disappointment is expressed because there are no perceived advantages seen in the day to day business practice.

In order to see the advantages in real terms for the end user of an MR certificate the perceived disadvantages have to be overcome.

Disadvantages of using the Proposed MR Approach

All respondents listed disadvantages with the proposed approach whereby the assumption could be made that the EU ROs could do more to promote the benefits of applying for an MR certificate.

Disadvantage	Reasoning
Creation of Additional Certificate	• Creation of a 13th Type Approval Certificate
Increased Administrative Burden and Cost	• Creation of a 13th set of rules • Technical requirements are not compatible with international standards (IEC60947-1 or IACS UR E10) • MR requirements not understood by surveyors and who are reluctant to promote it • Costs related to having to reapply for a MR TA certificate despite having just completed the process for receiving 5 individual TA certificates • Costs of development of new rules passed on to the manufacturer
Not Going Far Enough	• Scope of products is too limited and consequently before MR gets to products of interest there will be a significant time delay
Lack of International Recognition	• It has been reported that Japan and Russian (both EU ROs) will not accept MR certificates for their national flagged vessels • More complex system manufacturers will not accept MR certificates because of the international reluctance to have them on board vessels
Stringency of Rules	• Taking the most stringent rules from all EU ROs to develop one MR requirement can lead to higher but unnecessary demands • Having to apply the most stringent rules under the new approach may oblige manufacturers to reduce their product performance • It is reported that not all EU ROs apply the requirements in the same way

Further Products to be considered by EU ROs for MR

As reported under the disadvantages it is felt by many manufacturers that the products covered under Tiers 1-3 do not yet go far enough to have added value for business and they wish to see mutual recognition certificates being issued both for a broader range of type approved products and for products further up the safety criticality hierarchy. When asked which additional products they would wish to see considered by EU ROs the following were listed (this is a suggested list of possible products which could be mutually recognised and is by no means exhaustive):

- Castings, wrought and forged parts
- Seacocks and valves
- MR for engines based on a common standard
- Materials
- Products under IEC 60947-4-2, -4-3 and -6-2
- Couplings and dampers
- Fire tests performed according to IMO-rules and attended by ROs which result in a MED certificate should be subject to MR
- Diesel engine components
- Watertight sliding doors
- UPS
- Drives up to 800 kVA
- Marine incinerators
- Combustion engines
- C/E Components and materials
- Lifting appliances
- Variable speed drives for electrical motors
- ECDIS
- Channel alarm unit
- Emergency telegraph
- Flywheels, crankshafts
- Circuit breakers
    - o   LV circuit breakers
    - o   MV circuit breakers
- Additional devices to build up a system according to IEC 61131-2

The industry makes the commitment that it is willing to sit together with the EU RO Technical Committee to jointly develop new rules and requirements for further products to be mutually recognised to ensure, on the one hand, the highest levels of safety and on the other, pragmatism when considering which rules are required for type approvals.

By working together, with the common aim of simplifying the classification process, the advantages can be demonstrated and the development of the mutual recognition approach into new product areas can be experienced by the industry.

General Weaknesses relating to Article 10 of EC 391/2009

It has been suggested that Article 10 of EC 391/2009 has weaknesses in relation to the implementation of mutual recognition
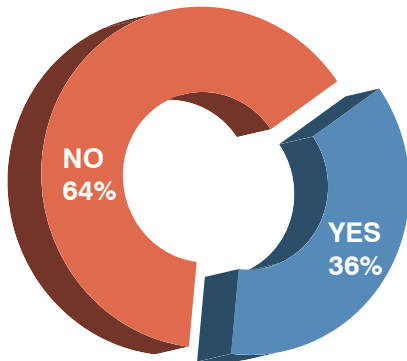

Chart 6: Do you see any problems with Art. 10. of EC 391/2009 itself, independently from the EU ROs approach?

Whilst the majority of respondents do not see any problems with Art. 10 there are a number who do believe that the regulation does not sufficiently support the development of mutual recognition of classification certificates. This could be attributed to the following reasons:

a) Interpretation

Art. 10 requires class to recognise certificates to "the most demanding and rigorous standards". However, there are no specifications on how these 'most demanding and rigorous standards are to be evaluated. The industry's perception is that each EU RO has taken their 'most demanding and rigorous standard' and fed them into the new MR requirements. Whilst a 'most demanding and rigorous standard' seen in an individual rulebook would make logical sense, when put alongside 11 others it can lead to an over interpretation of the regulation and consequently the creation of requirements that are not always realistic.

b) International Acceptance

There have been reports that third countries do not accept the Mutual Recognition certificate on-board their flagged vessels (e.g. Japan, Russia). Whilst in some cases it may be a question of a 'wait and see approach' (e.g. Singapore) there is no obligation for third countries to accept the new certificates. This could call into question the scope of the regulation – should it apply only to the EU or internationally? If it is the former it could develop into a precursor to an EU-wide one set of rules whereby manufacturers could go to an RO and request an EU Type Approval certificate with which to do business abroad. This could be a step forward in the internal market whereby class compete on service offered as opposed to the certificate offered and offer European manufacturers value for money and a reduction in the administrative burden.

If it is the latter, as we see today, without any mechanisms (except some EU trade instruments or political goodwill) built into the regulation to see acceptance, manufacturers will either have to have a MR certificate alongside their traditional TA certificates or forgo MR all together. Neither options seems to be appealing or in line with the aim of the manufacturers or the original intent for Article 10.

Proposals for Changes to the Classification Process

It is clear that 96% of respondents to the SEA Europe survey were in favour of using "a Mutual Recognition Scheme in principle" not necessarily solely the proposal put forward by the EU ROs.
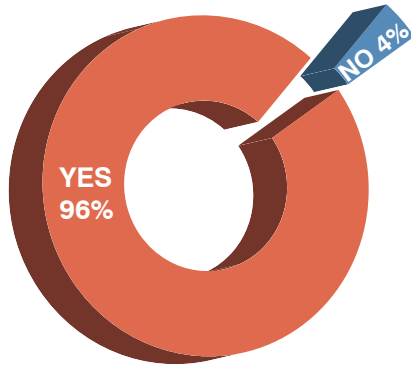

Chart 7: Do you want to have / use an MR scheme in principle?

The majority of the responses saw the need to change the current classification process to further mutual recognition, without compromising safety, and offered several suggestions in order to bring this about:

a) Reduce the multi-certification of material, parts, etc. with the aim of extending MR to a broader range of topics and moving up the 'safety criticality' hierarchy

b) Improve publicity of success stories regarding MR Type Approvals

c) Involve all relevant manufacturers in the development process of new rules from the outset and not just invite them to comment on a 'final draft'

d) One unified set of requirements for all EU ROs to adhere to

Work has been undertaken to address some of the issues and SEA Europe has opened effective dialogue with the EU ROs to seek pragmatic solutions. However, there is concern that there is not enough momentum to proactively engage with the industry to come to a practical solution for the development of new rules, in a timely way, and meet the overall aim of a reduction in cost and administrative burden.

3. What can be done?

Industry Recommendations to ROs

Some progress has been made since the EU ROs in October 2012 published their first progress report relating to mutual recognition of classification certificates. The EU ROs have at present introduced technical requirements for 34 type approved products (Tiers 1-3).

However, notwithstanding efforts made, SEA Europe and its members believe that more can be undertaken in the short run to achieve significant benefits for the maritime industry.

Products Considered for Mutual Recognition

The products listed in Tiers 1-3 are only relevant for a few European maritime equipment manufacturers. For the benefit of the European Industry it is therefore suggested that the European industry will be asked for concrete proposals for type approved products to be added to the product lists. Such products could be for example:

- Hydraulic actuators

- Electro-hydraulic systems

- Alarm panels

- Controllers

- Workstations and monitors

- Radar tank level gauging

- Temperature measurement

- Vapour pressure gauging

- Electro-pneumatic level transmitters

Scope of Mutually Recognised Products

SEA Europe and its members, furthermore, believe that EU ROs have somehow started at the "end of the manufacturing process" since all products listed under Tier 1-3 are more or less end products. End products are most often assembled by a wide range of components and materials and some of these materials and components also require class certificates.

In the industry's point of view, a MR certificate issued for the end product should automatically lead to mutual acceptance of all underlying certificates for components and materials included in the end product. All basic certificates issued for materials and components are thus automatically mutually recognised as well. From the industry side we would like the EU ROs to consider also material tests such as yield stress, brine hardness, witness of pressure tests, tightness test and similar as automatically mutually recognised.

Consideration of Harmonised Requirements

The European maritime technology industry has noted that none of IACS unified requirements are being used as a basis for the technical requirements within Tier 1-3. If the EU ROs used already mutual existing minimum requirements it would expedite the process. Moreover, we recommend reference to existing standards wherever possible. This includes not only IACS URs but also ISO or IEC standards which are worldwide harmonised and a basis for many product requirements, including a number of products already listed under Tiers 1-3.

Involvement of the Industry in the Future Process

Taking into account the foregoing, it is obvious that the process could be strengthened in order to achieve better interaction with industry stakeholders. Therefore, SEA Europe makes the following recommendations to the EU ROs:

- The creation of a simple and transparent process for determining further products / components which can be considered for Mutual Recognition

- The EU ROs should develop an effective communication channel with industry to provide clarification and answers in case of questions or misunderstanding regarding MR product as well as test requirements

- The EU ROs should establish a Joint Working Group with industry (represented by SEA Europe) in order to discuss the MR Technical Requirements in case of industry objections or differing interpretations

- The EU ROs should be encouraged to phase out individual Type Approval Certificates being superseded by MR certificate

Principle thoughts about Future Approach of Mutual Recognition

In general the current situation is that the EU ROs require a test to be witnessed by all 12 EU ROs. If the test is witnessed by just one RO on behalf of the other 11 it would increase the quality of the procedure. Duplication of efforts are thus avoided and the quality of the work carried out by the EU RO who witness the certificate will be enhanced since there will be a much clearer distribution of responsibility in the process. The quality of the individual certificate will also be enhanced if class societies start preparing complete test protocols when carrying out their witness tests, instead of only issuing a certificate.

This is common practice, when ordering an accredited test institute to carry out the procedure as the industry will receive a complete test protocol signed by the institute. It would lead to higher safety, simplification, lower costs and lower administrative burdens for the European marine equipment industry, if the EU ROs could agree among themselves that they will accept each other as a third party witness – in the same way as they acknowledge an accredited test institute or organisation. If MR of EU RO's as the third party witness is introduced, flexibility in rules, standards and technical requirement are ensured and class societies will have the possibility to develop their rules according to their own, national and international requirements. Furthermore, if one EU RO applies more rigorous rules, standards and technical requirements than the other members then the member should accept what has already been witnessed and only demand to witness an extended test for the more rigorous part of the standards, rules and technical requirements.

Industry Recommendations to the European Commission

SEA Europe recognises the work and role of the European Commission in the ongoing discussion and developments of mutual recognition of classification certificates. SEA Europe believes that through continued proactive engagement of the European Commission it can be envisaged that mutual recognition of classification certificates can be fully realised and therefore provides the following recommendations:

Short to Medium Term

1. It is requested that the European Commission provides support to ensuring international recognition of MR certificates

2. It is requested that the European Commission ensures that the EU ROs fully implement Article 10 to cover the broadest range of marine equipment products for mutual recognition

3. It is requested that a regular monitoring forum by EMSA / DG Move is set up, including representatives of the relevant stakeholders, to monitor the developments of the requirements for mutual recognition certificates and possible modifications thereof

Long Term

1. Introduction of one set of EU Classification rules for the use of the marine equipment industry

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