



# **CUSTOMER CODE ISSUANCE, CONSOLIDATION AND DEACTIVATION PROCEDURES**

**06-October-2020**

The following provisions apply for the issuance, consolidation, and deactivation of customer codes.

## **1. PURPOSE OF A CUSTOMER CODE**

The ACP requires that a customer code be provided to every vessel's visit to transit the Panama Canal, except for yachts or government vessels. Customer codes are an important factor in the competition toward obtaining reserved transit slots, as stipulated in the Panama Canal Authority (ACP) Notice to Shipping N-07-2020 available at <https://www.pancanal.com/eng/op/notices/2020/N07-2020-Rev.pdf>.

The customer code provided by the vessel's agent for a vessel's visit must be the customer code that belongs to the owner, operator, or charterer of the vessel, and providing a customer code belonging to an entity that does not represent, own, operate, or charter the visiting vessel is prohibited. Therefore, the customer code provided must belong to:

- The owner of the vessel transiting the Canal, or
- The operator of the vessel transiting the Canal, or
- The company that charters a vessel transiting the Canal.

Credit for a transit of a vessel is awarded to the customer code reported at the time of the vessel's visit.

Once a customer code has been assigned to the visit, no changes will be permitted, unless a written justification is submitted and approved by the Vice President of Operations.

The ACP will treat all customer codes information in a confidential manner.

## **2. DEFINITIONS**

For the purposes of this procedure and the use of the customer code, the following definitions apply:

- a. Owner is the person or company who owns a vessel and must be registered as the owner in a Ship Registry. To be considered an owner, the entity must have full or majority ownership of the vessel (equivalent to 51% or more of the total number of shares).
- b. Operator is a party who is responsible for the operating costs, repairs, and earnings of a vessel, and that has a written contract to operate a vessel. A vessel operator oversees various aspects of a ship's operations, including voyage planning, crew management, payments, and other assignments. Ship management companies fall into the category of vessel operator.
- c. Charterer is a party who has signed a written chartering agreement with the shipowner for the direct hire of a vessel. Charterers may only include bareboat, voyage and time charters. In some cases, a vessel may be sub-chartered to a third party. In these cases, the sub-charterer must request a customer code of its own and report it at the time of the visit creation.

## **3. PROCEDURE FOR ISSUANCE OF A CUSTOMER CODE**

The ACP issues customer codes only to the owner, operator, or charterer of a vessel visiting the Canal.

The procedure for issuance of customer codes is as follows:

- a. The person or entity interested in obtaining a customer code must submit a written request to the Panama Canal Authority (ACP) Customer Relations Unit. The request may be sent by electronic mail ([customerrelations@pancanal.com](mailto:customerrelations@pancanal.com)), and must include the full style address of the company to which a customer code will be assigned, including the telephone and facsimile number, name and position of the point of contact, e-mail address, and website, if available. Also clarify if the company is the owner, operator, or charterer of the vessel for which the customer code is being assigned.
- b. The request should be sent at least five days prior to the vessel's scheduled arrival date.
- c. The Customer Relations Unit will provide each customer with a written notification of the assigned code by electronic mail.

#### 4. PROCEDURE FOR CONSOLIDATION OF CUSTOMER CODES

Consolidations of customer code are authorized in cases where a holding company of a group wishes to apply for a single customer code to all members belonging to that group.

The procedure for consolidation of customer codes is as follows:

a. The majority or holding company (owners or holders of 51 % or more of the total number of shares of the group) must send a written request to the Customer Relations Unit indicating:

i The names and the respective codes of the companies for which it is seeking consolidation.

ii. Commercial relationship that exists between them (i.e., parent company and subsidiaries, members of a holding group, company's brand names, merged companies).

iii. Percentage of shares that the requester (the majority) holds on each company listed in the request and a notarized copy of the certification providing that the requester owns or holds 51% or more of the shares of the group.

iv. Customer code that the requester wants to retain for booking purposes.

b. A consolidation of the customer code is also authorized in cases where none of the holders has a majority share ownership. If that is the case, in order to consolidate, each stockholder must send all the documentation listed in section 4 (a), together with a notarized letter indicating its agreement with the consolidation of the customer code under the code that the majority have decided to retain for booking purposes.

c. In the event that part of the shares of the majority are sold, and the majority holder ceases to have 51% or more of the shares of the consolidated group of companies, the majority must indicate the change in status to the ACP. Failure to report such change may result in cancellation of the consolidated customer code in addition to any fine that the ACP may impose.

d. When consolidating customer codes, transit histories of the codes being consolidated will be placed on hold while they are consolidated.

e. Once the customer code consolidation is approved, the Customer Relations Unit will proceed to deactivate the customer code not being retained. The ACP will honor booking credits under consolidated codes within approximately 15 working days after receipt of the required documentation. In the cases that the customer using this code uses the Business to Business Gateway (B2B), the customer code not being retained will not be deactivated, but transits will not be accrued to the consolidated code until the customer completes the new accreditation process and the required testing procedures with

[customerservice@pancanal.com](mailto:customerservice@pancanal.com). The accreditation process may take approximately thirty (30) working days.

f. If one or more of the companies that use a consolidated code ceases to be part of the majority, the transit histories already accrued under the consolidated code, will not be redistributed.

## **5. USE OF AN EXISTING CUSTOMER CODE BY A SUBSIDIARY OR RELATED ENTITY**

- a. Companies that have an assigned customer code and would like that their code be applied to the transits of vessels owned, operated or chartered by a subsidiary or a company in which they have 51% or more of the ownership, must send an electronic mail to [customrelations@pancanal.com](mailto:customrelations@pancanal.com) seeking formal authorization to use the existing customer code for the transits of the vessels of their subsidiary or company in which they have partial ownership.
- b. The customer code assigned to a given customer cannot be used by members of any pool, joint venture, or strategic alliance for which the customer is a member.
- c. In the same way, sub-charterers are not authorized to use the customer code assigned to another customer. Sub-charterers must request a customer code in their own capacity as charterer of a vessel.

## **6. INAPPROPRIATE USE OF A CUSTOMER CODE**

- a. Agents must ensure that the customer code applied to a visit belongs to the owner, operator, or charterer of the vessel responsible for the transit. To ensure this, agents must require proper documentation from the customer, and have it available if the ACP requests it.
- b. The ACP provides several systems and reports, which are readily available to verify customer codes that were reported for each vessel's visit, such as: Daily Information Report, Arrivals Report, Vessel's Visit Itineraries Screen, and the Vessel Schedule Report. In addition, the Agent/Customer Summary report, available through EVTMS, provides a summary of all transiting vessels represented by local shipping agents that are logged in. This report contains information for the last 60 days.
- c. The ACP may perform audits at any time to ensure the proper use of the customer codes. Customers or agents may be required to submit documents (i.e., proof of ownership, chartering contract, or majority stock ownership) to prove that the customer code reported at the time of the vessel transit falls into one of the authorized categories.
- d. To provide a customer code which belongs to a person or entity (or company) who does not own, operate, or charter the visiting vessel is prohibited. In addition, customers and agents are reminded that Chapter XI of the Regulation on Navigation in Panama Canal

Waters establishes that providing inaccurate information to the ACP may result in fines ranging from \$500 to \$1,000,000.

## **7. CHANGE OF A CUSTOMER'S NAME**

If the name of a company changes, a notarized copy of the Corporate Minutes reflecting such change shall be provided to the ACP Customer Relations Unit.

## **8. DEACTIVATION OF CUSTOMER CODES**

- a. Customer codes that are not used during a five-year period may be deactivated by the Customer Relations Unit. Customers who wish to reinstate a code that has been deactivated must send a written request to the ACP Customer Relations Unit.
- b. A shipping agent may request the deactivation of the customer code of its principal if the company ceases to exist, if there is more than one customer code assigned to the same company or to a subsidiary, and if the customer code is consolidated by the ACP and will no longer be in use.

**This procedure is effective on the date of its publication and replaces prior versions.**