



CUSTOMER CODE ISSUANCE, CONSOLIDATION AND DEACTIVATION PROCEDURES

23-January-2023

This document sets forth the provisions that apply for the issuance, consolidation, and deactivation of Panama Canal Authority (ACP) customer codes.

1. GENERAL PROVISIONS

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

- a. Charterer: Party who has signed a written chartering agreement with the shipowner for the direct hire of a vessel. Chartering agreements include only 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.
- b. Commercial relationship: Relationship between two or more parties that includes mergers, ownership, subsidiaries, or membership of a holding group.
- c. Consolidation of a customer code: The process by which two or more owners in a commercial relationship request to merge their customer codes into one. This process results in one valid code for all requesting parties and deactivates all other codes of the other requesting entities.

- d. Customer code: Code issued by the ACP to a customer (owner, operator or charterer) to be used in each visit and to accumulate points in the ACP customer ranking.
- e. Operator: Party 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.
- f. Owner:
 - i. Person or entity that appears in a ship registry as the sole owner of a registered vessel or,
 - ii. Persons or entities that jointly make up for at least 51% of the ownership of a registered vessel in a ship registry or,
 - iii. An entity that owns at least 51% of a company that appears in a ship registry as the sole owner of a registered vessel in a ship registry or,
 - iv. Persons or entities that jointly make up for at least 51% of a company that appears in a ship registry as the sole owner of a registered vessel.
- g. Owner of a customer code: Person or entity that has been issued a valid customer code by the ACP.
- h. Parent company: Company that owns a customer code and acts as a holding company of a group of companies (holding group) in which it possesses an ownership stake of it and exercises significant influence over the administration, direction and policies of the subsidiary or related companies or over the distributions of its economic benefits.
- i. Subsidiary or Related company: Legally constituted company that is part of a group of companies (holding group) and that is owned by a parent company who possesses an ownership stake of it and exercises significant distribution the administration, direction and policies of the company or over the distributions of its economic benefits.

2. 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 available in our website <https://pancanal.com/en/>

The ACP issues customer codes only to the owner, operator, or charterer of a vessel visiting the Panama Canal. Consequently, the customer code provided by an authorized agent for a vessel's visit must belong to one of the following:

1. The owner of the vessel transiting the Canal, or
2. The operator of the vessel transiting the Canal, or
3. The company that charters a vessel transiting the Canal.

Providing a customer code belonging to a person or entity that does not own, operate, or charter the visiting vessel is prohibited.

Credit for the transit of a vessel is awarded to the customer code provided through the Panama Maritime Single Window (VUMPA per its initials in Spanish) at the time of the creation of the vessel's visit.

All customer code information and documents submitted to the ACP will be regarded as confidential, in compliance with ACP regulations and directives.

Owners of a customer code are responsible for providing accurate information as requested in this procedure and for keeping their information updated in the ACP's database.

3. LANGUAGES AND SUPPORTING DOCUMENTATION

All documents requested by the ACP in this procedure must be:

- a. Submitted in Spanish or English. Documents that are written, issued, or otherwise obtained in any other language that is not Spanish or English, must be accompanied by their corresponding translation to Spanish or English, and must be duly signed and stamped by a certified public translator.

Documents that do not comply with the above requirements will not be considered valid for review by the ACP.

- b. Accompanied by the signatory's identification document (i.e., ID or passport with signature page) when the document is signed by an individual.

In the case of individuals signing on behalf of legal entities, the ACP may request said entity to provide a notarized and/or apostilled document certifying the authority of the individual's signature.

The ACP may require that documents issued by legal entities be accompanied by an official document, duly notarized and/or apostilled, whereby the authority of the person signing the document on behalf of the entity is certified.

4. APPLYING FOR A CUSTOMER CODE

Parties interested in applying for a customer code must present the relevant documents to the ACP's Shipping Customer Service Management Team for review. These documents are required to be in ".pdf" format and should be sent by electronic mail to the address customerservice@pancanal.com with the subject "***Customer Code Application Documents***" followed by the applicant's name (Ex: Customer Code Application Documents Owner's Name).

The documents that must be submitted for review are the following:

If the requesting party is an owner:

- a. Form 341 duly signed.
- b. Document(s) proving the ownership of the vessel or vessels for which the owner is interested in using the customer code.

If the requesting party is an operator:

- a. Form 341 duly signed.
- b. Document(s) proving the applicant holds a valid operation agreement with the owner of the vessel or vessels for which the operator is interested in using the customer code.

If the requesting party is a charterer:

- a. Form 341 duly signed.
- b. Document(s) proving the applicant holds a valid charter party agreement with the owner of the vessel or vessels for which the charterer is interested in using the customer code.

All documents submitted according to this section must follow the requirements set forth in section 3 of this procedure.

All requests for the issuance of a customer code must be submitted prior to the vessel's visit creation and not later than five (5) working days prior to the vessel's scheduled arrival date.

The ACP's Shipping Customer Service Management Team will provide each customer with a written notification of the assigned code by electronic mail.

Failing to comply with this procedure may result in delays and/or rejection of the application without any liability to the ACP or its employees.

5. USE OF AN EXISTING CUSTOMER CODE BY A SUBSIDIARY OR RELATED COMPANY

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 related company, must present the relevant documents to the ACP's Shipping Customer Service Management Team for review.

These documents are required to be in ".pdf" format and should be sent by electronic mail to the address customerservice@pancanal.com with the subject "**Customer Code Use Authorization**" followed by the name of the code (Ex: Customer Code Use Authorization CODENAME).

The owner of the customer code must submit an affidavit authorizing the use of its customer code and certifying that the company or companies are authorized to use its code as subsidiaries or related companies, defined in section 1 of this procedure.

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.

In addition, sub-charterers are not authorized to use the customer code assigned to another customer and must request a customer code in their own capacity as charterer of a vessel.

6. CONSOLIDATION OF CUSTOMER CODES

The consolidation of customer codes may be authorized in the cases where two or more parties establish a commercial relationship and wish to use one customer code for all their visits. Entities that have an assigned customer code and would like to consolidate their customer codes into one valid code, must present the relevant documents to the ACP's Shipping Customer Service Management Team for review. Consolidation documents are required to be in ".pdf" format and should be sent by electronic mail to the address customerservice@pancanal.com with the subject "**Consolidation of Customer Codes**" followed by the name of the codes to be consolidated (Ex: Consolidation of Customer Code CODENAME1 into CODENAME2).

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 ACP's Shipping Customer Service Management Team indicating:
 1. The names and the respective codes of the companies for which it is seeking consolidation.
 2. The commercial relationship that exists between them as defined in section 1 of this procedure.
 3. 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.
 4. 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 majority share ownership. If that is the case, to consolidate, the group that makes up the majority of the company's shareholders must send all the documentation listed in section 6 (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. If 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 a 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 ACP's Shipping Customer Service Management Team will proceed to deactivate the customer code not being retained. The ACP will honor booking credits under consolidated codes within approximately twenty (20) 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.

The accreditation process may take approximately thirty (30) working days.

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.

All documents submitted according to this section must follow the requirements set forth in section 3.

7. CHANGE OF AN ASSIGNED CUSTOMER CODE

Once a customer code has been assigned to a visit and its transit has been booked, no changes will be permitted, unless a written justification is sent to the ACP's Shipping Customer Service Management Team for approval. Once the vessel is underway or has completed transit, no changes will be permitted.

The request to use a different customer code than the one initially provided in the VUMPA, must be supported by the following documents:

- a. A letter signed by the owner of the customer code that was initially provided, approving the use of the newly provided customer code.
- b. A letter signed by the owner of the newly provided customer code, requesting the use of his customer code.

All documents submitted according to this section must follow the requirements set forth in section 3 of this procedure.

The process for customer code change will take approximately five (5) working days after receipt of the required documentation.

8. 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. Consequently, agents must require proper documentation from the customer and have it available upon request.
- b. 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, operation agreements, etc.) to prove that the customer code reported at the time of the vessel transit falls into one of the authorized categories.
- c. To provide a customer code which belongs to a person or entity who does not own, operate, or charter the visiting vessel is prohibited. In addition, customers and agents are reminded that as a result of any audit performed by ACP, if any inappropriate use of a customer code is found, the following actions will take place:

1. 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 B/.500 to B/. 1,000,000.
2. All reserved transit slots for the visiting vessel, under the misused customer code, allocated through a booking competition process, will be cancelled and the cancellation fees will be invoiced to the company of the misused customer code.
3. All credits earned by completed visits for the visiting vessel will be deducted from the next generated customer code ranking reports after audit is completed and inappropriate use is found.
4. All reserved transits for the visiting vessel, the misused customer code, allocated through a standard booking request procedure or through auction will be honored. However, such transits will not be included in the next generated customer code ranking reports after audit is completed and inappropriate use is found.
5. Any future transit booking requests submitted for vessel by the offending customer will not be accepted until the customer complies with the Customer Code Issuance, Consolidation and Deactivation Procedure and other rules and regulations established by the ACP.

9. CHANGES OF A CUSTOMER'S INFORMATION

Any change in the information provided in form 341 or submitted by the owner of a customer code or an authorized agent to the ACP, that may have an effect in the result of the tiebreaker competition, or the allocation of points in the ACP customer ranking, must be immediately reported to the ACP.

Parties interested in changing the information kept by the ACP must present the relevant documents to the ACP's Shipping Customer Service Management Team. These documents are required to be in ".pdf" format and should be sent by electronic mail to the address customerservice@pancanal.com with the subject "***Information Update***" followed by the customer code (Ex: Information Update CODENAME).

All documents submitted according to this section must follow the requirements set forth in section 3 of this procedure.

Failure to report such changes may result in cancellation of the consolidated customer code in addition to any fine that the ACP may impose.

10. DEACTIVATION OF CUSTOMER CODES

Customer codes that are not used during a five-year period will be deactivated by the ACP's Shipping Customer Service Management Team.

Parties interested in re-activating a customer code that has been deactivated must send a written request to the ACP's Shipping Customer Service Management Team and must follow the steps indicated in section 4. Documents are required to be in ".pdf" format and should be sent by electronic mail to the address customerservice@pancanal.com with the subject "**Customer Code Activation**" followed by the customer code for which it is seeking activation (Ex: Customer Code Activation CODENAME).

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. The request may be sent by electronic mail (customerservice@pancanal.com) and must include form 341.

All documents submitted according to this section must follow the requirements set forth in section 3 of this procedure.

After deactivation of the Customer Code, it will cease to appear in the next Customer Ranking Report.

This procedure will be in effect from the date of its publication and replace all prior versions.