

RO performance methodology that will be used by the Paris and Tokyo MoUs (Revision 0)

BACKGROUND

1. A new methodology for assessing the performance of Recognized Organizations (ROs) will enter into force on 6 July 2027 under the Paris Memorandum of Understanding on Port State Control (Paris MoU).
2. The new methodology for RO performance is a deterministic system that links a detainable deficiency to the RO that issued the relevant statutory certificate. This represents a fundamental change, as the link to the RO is no longer based on whether the RO caused, contributed to, or could reasonably have prevented the deficiency, but on the statutory certificate to which the detainable deficiency is connected. Under the new methodology, RO performance will be assessed using a formula based on inspection and detention records over a three-year period, the same as that used for Flag State Administrations, which focuses on the number of inspections and detentions. Performance will be categorised as follows:
 - High Performance: the detention rate is better than the overall average.
 - Medium Performance: the detention rate is equal to or worse than the overall average.
 - Low Performance: the detention rate is at least twice the overall detention average.
3. All ROs will be included in the performance lists, regardless of their inspection volume, to ensure their categorisation can be used to determine a Ship Risk Profile to target ships for inspection.
4. For ROs with a limited number of inspections, performance will be calculated using specific criteria, so that a single detention does not immediately place them on the low performance list.
5. On 1 January 2026, as a preparatory step for implementation of the new RO performance methodology and synchronisation with the

amended EU Port State Control Directive, the Paris MoU initiated the linking of detainable deficiencies to statutory certificates issued or endorsed by the RO.

The new methodology will then be implemented on 6 July 2027, using data from one calendar year (2026), increasing to data from two calendar years (2026 and 2027) on 1 July 2028, and finally incorporating data from three full calendar years from 1 July 2029.

6. In October 2025, the Tokyo MoU confirmed the decision to introduce a new methodology to evaluate flag and RO performance, harmonized with the Paris MoU, to be implemented from 1 January 2028.
7. Although the terminology used by the two MoUs refers to “RO performance”, the revised mechanism no longer measures RO performance in a strictly technical or qualitative sense. Instead, it measures the occurrence of detentions linked to statutory certificates issued or endorsed by an RO. Therefore, the terminology used in the published lists and related communications should clearly avoid suggesting attribution of fault, liability or quality failure to the RO.

IACS POSITION

8. IACS supports the objective of improving transparency and consistency in PSC performance assessment; however, it is concerned about the new RO performance methodology, as the approach does not adequately reflect the level of involvement of ROs, thus generating misunderstandings about the role and responsibilities of ROs and exposing ships and Companies to misperceptions associated with published PSC data (which influence the Ship Risk Profile, used to target ships for inspection), as specified below:
 - a. while PSC inspections can be conducted at any time in port, an RO generally undertakes surveys only once a year and SMC audits every 2.5 years, as required by the applicable international

regulatory instruments (for example, there may be cases where, at the time of a PSC inspection, the last RO survey was almost a year and a half ago);

- b. when a significant period of time has elapsed between the RO survey and the detention, the ship's condition may have considerably changed, therefore the deficiency may be attributable more to onboard operations (i.e. lack of maintenance or failure to report a deficiency) than to the performance of the RO issuing the certificates.
9. IMO conventions and codes clearly assign primary responsibility for the safe operation and proper maintenance of the ship to the ISM Company and the Master, on a continuous basis, while class and statutory surveys are typically carried out at intervals of approximately 12 months.
10. The role of the RO is one of periodic verification and certification, not day-to-day supervision; it is therefore inconsistent with the RO surveillance scheme to assess the performance of a RO as if it exercised continuous operational control over ships. Evaluation of the RO performance based on PSC detentions, which result primarily from operational, maintenance or crew-related deficiencies, mixes fundamentally different responsibilities and scopes of control.
11. The fact that the Paris MoU framework already includes Company Performance as a separate Ship Risk Profile parameter (based on the detention and deficiency history of ships while under the responsibility of the ISM Company) confirms that operational management and maintenance performance are distinct from RO certification activity and should not be indirectly transferred to the RO through the new RO methodology.
12. Since many detainable deficiencies are not related to the activities performed by the RO issuing the relevant statutory certificate, PSC performance data derived from the new methodology cannot be considered a reliable standalone indicator of RO performance, as it does not directly reflect the quality of services provided. PSC detentions are influenced by multiple factors, many of which lie outside the control of ROs, including operational and maintenance practices.
13. Moreover, the new methodology of assigning High, Medium and Low performance categories to ROs, based on detention rates compared with the overall average, need further validation. This is

because a relatively small variations in the number of detentions can have a disproportionate effect, particularly to those ROs having limited numbers of Inspections. Additionally, fleet age, ship type, trading patterns, and exposure to particular PSC regimes can substantially influence the category without necessarily indicating a change in RO performance. Therefore, appropriate statistical safeguards should be included in any published RO data.

14. The disconnection between future RO performance data based on PSC detentions (those resulting from the application of the new methodology) and the actual RO performance could lead to several potential negative impacts, including:
 - a. ships could be subject to unjustifiably more frequent and extended scope PSC inspections, as the Ship Risk Profile would be determined using PSC performance data not reflecting the actual RO quality;
 - b. ROs could be subject to unjustifiable administrative measures, as administrative sanctions - including fines and suspension/ withdrawal of the recognition as an EU RO - could be imposed based on the Paris MoU PSC data which would be incorrectly considered as a source for the evaluation of RO performance (see Art. 14 of EC Regulation 391/2009 and Commission Decision 2009/491/EC);
 - c. maritime industry stakeholders - who currently widely recognize the PSC performance data published by Paris and Tokyo MoU as "reliable information" provided by the public authority - may be led to misconceptions about the role and responsibilities of ROs because the published RO performance data would not realistically reflect the level of RO involvement. Furthermore, ships and companies may be also exposed to a wrong perception associated with the published data;
 - d. Flag States can no longer rely on Paris and Tokyo MoU data on RO performance for selecting and authorizing ROs to act on their behalf, as the PSC performance data would no longer reflect the actual RO performance.

Therefore, until the methodology has been validated over a sufficiently representative period and appropriate review safeguards are in place, data generated under the new mechanism should not

be used in decision making and performance assessment of ROs.

15. The new methodology could inadvertently lead to a shift in enforcement behaviour, as Flag States could require ROs to compensate for deficiencies that, by convention, are the responsibility of shipowners and crew. Over time, this could alter the balance of the maritime safety regime, pushing ROs into a quasi-operational role that they are neither mandated nor structurally equipped to fulfil. Such a development would not improve safety outcomes; rather, it would risk creating ambiguity, regulatory arbitrage, and misaligned incentives within the system.

focused discussion of the needed improvements which could possibly lead to the need for a new output).

18. IACS is committed to supporting effective action against substandard shipping but considers that this cannot be achieved through measures confusing the respective responsibilities of ROs, Flag States, Companies and shipboard management. IACS therefore proposes to start an open discussion with all interested maritime stakeholders impacted by the new methodology to ensure that future PSC data remain reliable, proportionate and correctly understood.

NEXT STEPS

16. The new RO performance methodology represents a significant regulatory change that could have a substantial impact on Flag States, shipowners and operators, as well as ROs; and its implementation will require all of them to adapt to the new system.

17. In this regard, IACS is internally discussing ways to address the challenges posed by the new methodology, including for example:

- a. exploring options available to ROs to initiate an appeal process under the Paris and Tokyo MoU; and
- b. submission of proposals to strengthen the PSCOs' qualification (training, selection criteria, performance monitoring) with an objective of promoting consistency, transparency and harmonized implementation of PSC activities (Following discussion at IMO III 12 on the IACS paper (III/12/9/2) submitted in this regard, the sub-committee has invited interested parties to submit information on the specific PSC instances, such as those highlighted in paragraph 11 of document III 12/9/2, to future sessions of III under the agenda item on Measures to harmonize port State control activities. This would then allow for a more

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