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| <b>IACS Objectives and Strategy (2017-2022)</b> | <b>Adopted by<br/>Council at C77<br/>June 2018</b> |
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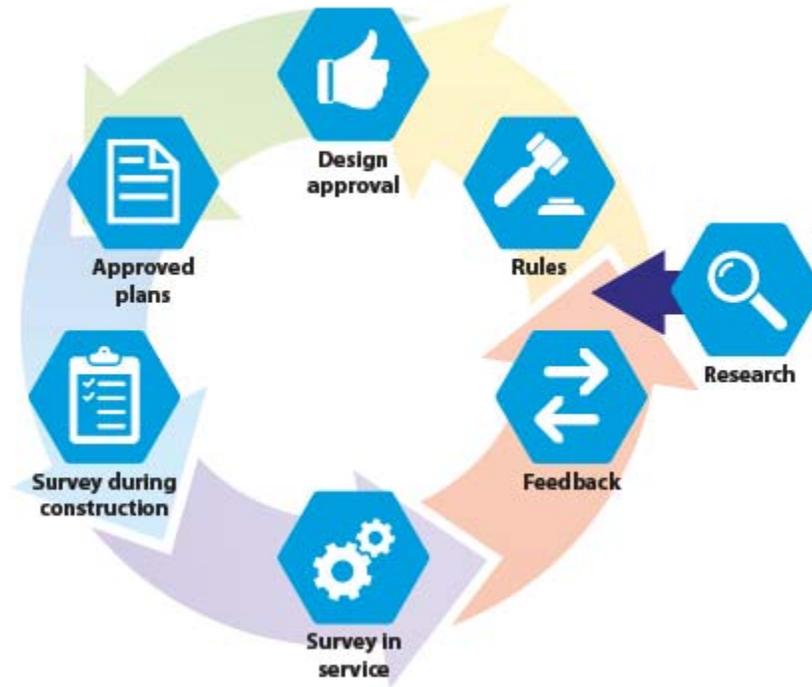
## 1. Foreword

As indicated in the IACS Charter:

1. *the purpose of a Classification Society ("CS") is to provide classification services statutory and certification services as a Recognized Organization acting on behalf of a flag Administration, and assistance to the maritime industry and regulatory bodies as regards maritime safety and pollution prevention, based on the accumulation of maritime knowledge and technology;*
2. *the objective of ship classification is to verify the structural strength and integrity of essential parts of the ship's hull and its appendages, and the reliability and function of the propulsion and steering systems, power generation and those other features and auxiliary systems which have been built into the ship in order to maintain essential services on board for the purpose of safe operation of a ship (taking into account the effect on the environment).*
3. *Classification Societies aim to achieve this objective through the development and application of their own rules; and by verifying compliance with international and/or national statutory regulations as Recognized Organizations acting on behalf of flag Administrations (verification of compliance with statutory regulations includes inter alia, safety and security management systems and living and working conditions on board ships as stipulated in IMO and ILO international Conventions).*
4. *However, Classification Societies are not guarantors of safety of life or property at sea or the seaworthiness of a vessel because the Classification Society has no control over how a vessel is operated and maintained in between the periodical surveys which it conducts.*

Classification Societies involvement with ships through their life cycle affords them the unique opportunity to utilize feedback obtained throughout the design approval process, new construction (including the certification of materials, equipment and components), and from surveys of ships in-service to drive research and development and the improvement of classification Rules. Utilizing the opportunities afforded by this "class cycle", as depicted in Figure 1, in support of the purposes and objectives of classification is an integral component of the IACS strategy.

Classification Societies live on their reputation. Acceptance of their work can only be maintained by continuously demonstrating integrity and competence.



**Figure 1: The Class Cycle. Contrary to industry standards, class rules are subject to a feedback loop**

## 2. Challenges and how to address them

Many of the challenges faced by IACS relate to those that are addressed in the IMO Strategic Plan for the six-year period 2018 to 2023 (Resolution A.1111(30) for the maritime industry, including inter alia: globalisation, maritime safety and security, environmental consciousness and ship efficiency, innovation and new technologies, shifting emphasis onto people, i.e. safety culture. These challenges are seen by IACS as opportunities to promote and further enhance the role of class.

In order to address these challenges and support the IMO strategic plan, IACS will focus on the following:

### **Implementation of IMO's instruments (IMO SD1)**

IACS supports the creation of a level playing field for flag States by assisting in effective, global, consistent and uniform implementation of IMO's instruments, their enforcement by States and full compliance by the States concerned and the shipping industry.

### **New and advancing technologies (IMO SD2)**

IACS contributes to balancing the benefits derived from new and advancing technologies against safety and security concerns, the impact on the environment, and their impact on personnel, both on board and ashore.

IACS is committed to contribute to the development and maintenance of the IMO's regulatory framework, which will be continuously adapted to the challenges and global developments.

IACS is also committed to contribute to the development of legal framework that accommodates new and advanced technologies and approaches by being technology neutral, i.e. without preference or hindrance of one technology over another.

### **Climate change (IMO SD3)**

IACS will assist Governments and industry in relation to their responsibility to address climate change by contributing to the development, implementation and verification of appropriate solutions to reduce the shipping industry's contribution to air pollution and its impact on climate change while safeguarding the safety of shipping and efficiency of transport.

### **Ocean governance (IMO SD4)**

While safeguarding safety of shipping, IACS will contribute to achieving a balance of economic activities and clean oceans.

### **Global facilitation and security of international trade (IMO SD5)**

IACS supports efforts to provide for safe transportation.

Shipping operations are increasingly dependent on electronics and digital technologies and as such are exposed to cyber risks. IACS will continue to take initiatives to address the issues arising.

### **Regulatory effectiveness (IMO SD6)**

With its mandate to support IMO's role as the global regulator of safe, secure and environmentally sound shipping, IACS will assist in the global implementation and application of IMO instruments, and will continue to contribute reviewing existing regulations also taking into consideration new and advancing technologies. New and advancing technologies are also considered when IACS develops and/or maintains resolutions.

### **Organizational effectiveness (IMO SD7)**

IACS has strengthened its ties with the IMO with a Memorandum of Agreement, setting forth the high-level mode and areas of cooperation. In addition to the commitment to contributing to IMO initiatives on safety, environmental protection and sustainability, IACS will contribute to the IMO objective to collect, manage, analyse and report on relevant information and data.

### 3. IACS Aims, Values and Guiding Principles

Each Member must promote the aims which the Association holds in common. Internal procedures must give stakeholders confidence that high standards are being maintained by all Members. The IACS' aims are to:

- (i) establish, review, promote and develop minimum<sup>1</sup> technical requirements in relation to design, construction and survey of ships and other marine units;
- (ii) assist international regulatory bodies and standards organisations to develop, amend and interpret regulations and industry standards in ship design, construction and management, with a view to improving safety at sea and prevention of marine pollution; and
- (iii) provide a Quality System Certification Scheme (QSCS) that its Members shall comply with, as an assurance of professional integrity and maintenance of high professional standards.

The support that IACS can offer to regulators, e.g. IMO and ILO, and the industry relates to the following values:

- “leadership”, ability to be ahead and co-operate with regulators and industry on initiatives that can effectively promote maritime safety, protection of the environment and sustainability, provide practical real-world guidance to regulators and industry, and appropriately address maritime safety and environmental concerns;
- “technical knowledge”, collective and individual knowledge and experience as a result of the “class cycle” depicted in Figure 1, leading to the development, adoption and implementation of technical rules and minimum requirements as well as interpretations of statutory instruments, that reflect current practice and changing demands of the society, supporting innovation and new technologies;
- “quality performance”, commitment of its members to define and adhere to the highest global quality standards, through rigorous application of the IACS QSCS and through actual performance proved by appropriate key performance indicators;
- “transparency”, ability to openly communicate regarding the concept of class, its vital role and its quality standards, as well as provide advice on the implementation of regulations, interpretations or enhancements thereof, if need is identified, so that practical solutions can be effectively developed in cooperation and with the support of other stakeholders, increasing the trust on class.

The strategy to further strengthen these values is driven by the following guiding principles:

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<sup>1</sup> IACS requirements are minimum requirements. Any IACS Member or group of IACS Members remains free to set and publicise requirements that result in an equivalent or higher safety level compared to the IACS requirements.

### **3.1 Leadership**

- i. IACS will maintain a constructive dialogue with the IMO and ILO, as well as with other regulatory bodies and industry associations, to promote the role of class, with a vision of being proactive rather than reactive to external events.
- ii. IACS will be a key player in developing technical standards for safe, sustainable and energy efficient ships, identifying priorities, proposing improvement measures and developing practical responses that can effectively reduce risk and emissions from shipping.
- iii. IACS will contribute to the IMO ship safety and environmental protection work programme and its sustainability aims with wide ranging technical analyses that can assist to define goals and quantitative targets, and mitigate identified risks, in a proper balance.
- iv. IACS will identify and promote activities to enhance the performance of its members in carrying out the IACS mission.

### **3.2 Technical knowledge**

- i. IACS will promote the continual enhancement of class rules, procedures and guidelines and strive for consistency among its Members in setting and verifying compliance against these technical standards.
- ii. IACS will utilize the unique opportunities provided by the “class cycle” depicted in Figure 1 to continually provide mechanisms by which the knowledge of its Members, accumulated through in-service experience, research and any other means can effectively improve maritime safety, the protection of the environment and sustainability, with a view to reducing the burden of over-regulation.
- iii. IACS members will support innovation and new technologies by developing goal-based approaches that can complement the current prescriptive instruments including expanding upon traditional class roles

### **3.3 Quality performance**

- i. IACS will maintain and continually review its quality policy with the view of achieving high quality performance of its Members, requesting them to demonstrate that they can achieve the objectives of the Association, particularly with respect to technical competence.
- ii. IACS will promote the highest quality standards for classification societies, by further developing and impartially administering the IACS Quality System Certification Scheme (QSCS)<sup>2</sup> to which all Members must adhere. IACS makes QSCS a public document available for use by non-IACS CSs.

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<sup>2</sup> IACS QSCS addresses both functions which classification societies provide – classification and statutory services – and is fully aligned with IMO RO Code

- iii. IACS will set challenging common performance indicators that encourage continual improvement of quality performance and service delivery and will monitor the Membership, individually and collectively, with respect to these common performance indicators.

### **3.4 Transparency**

- i. IACS will promote transparency and openness to relevant stakeholders about its Members' high professional standards and the concept of classification as well as the vital role that this concept plays in contributing to safety at sea and the prevention of marine pollution
- ii. IACS will continue to provide and maintain a platform relating to its technical work programme, placing all technical resolutions and technical background documents in the public domain for possible<sup>3</sup> use also by non-IACS organisations.
- iii. IACS will continue to maintain an open discussion with industry and regulators on technical issues, establish platforms in order to exchange views and resolve challenging issues in a collaborative way.
- iv. IACS will strive to establish through appropriate IMO instruments better ways to exchange data, information and lessons learnt from failures, incidents, near misses and accidents, with due consideration to intellectual property rights, confidentiality and legal issues.

## **4. IACS Strategic Directions**

The strategic directions for IACS to meet the above-mentioned challenges, values and guiding principles are, inter alia, to:

- (a) support the IMO regulatory process in identifying trends and developments, utilising Members' expertise on ship structures and machinery, safety systems and protection of the marine environment;
- (b) cooperate with industry to identify areas of improvement in ship design, construction, operation and management, based on ship-in-service experience and research and development;
- (c) be responsive to industry needs by maintaining a constructive dialogue with international and national industry associations and standards bodies to identify and engage on priority issues of mutual interest, at the earliest possible stage;

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<sup>3</sup> IACS publishes all Unified Requirements ("URs"), including CSR, and technical background ("TB") information on the IACS website. This documentation is subject to the restrictions identified on the IACS website and to the IACS disclaimer and copyright notice. Notwithstanding the intellectual property rights held by IACS Members in IACS' URs and the related TB information, all classification societies are free to use the URs (including CSR) by effectively embedding them into their own published rules. Classification societies are also at liberty to enter into any agreement with any IACS member in relation to the provision of further information or assistance.

- (d) continue to be proactive in developing and enhancing its instruments, such as unified requirements and unified interpretations of IMO instruments, so that they are adopted and implemented uniformly;
- (e) promote the application of risk-based methodologies for the continual enhancement and evolution of rules and regulations;
- (f) promote the development of goal based approaches within a coherent IMO regulatory framework, aiming for an appropriate balance between safety, security and environmental regulations;
- (g) address practical, technical solutions to make ships more energy efficient and environmentally friendly, with due consideration to safety issues;
- (h) assist regulators and industry to identify practical technical issues and potential unintended consequences of proposed regulations at the earliest possible stage, and the need for proper impact assessment;
- (j) be supportive of innovation and new technologies, by developing unified guidelines and performance criteria for applying risk-based alternative design techniques, at least equivalent to prescriptive requirements;(k) assist regulators to identify and evaluate human factors influencing safety and environmental protection and put them into practice;
- (l) introduce man-machine interface considerations into IACS work programme, taking into account that ships today are highly computerised and dependent on automation systems;
- (m) focus Members' attention on the continual training and monitoring of the technical competence of their surveyors and technical staff, as well as on their occupational health and safety;
- (n) assist industry to self-regulate their own practices beyond strict compliance e.g. with respect to ISM Code or ISO 9000 standards, by adopting voluntary risk management procedures and promoting a new safety and environmental protection awareness culture;
- (o) contribute to the global and consistent implementation of the ILO Maritime Labour Convention 2006;
- (p) clarify the role and responsibilities of classification societies with other stakeholders, e.g. in relation to assignment and maintenance of class, and owner's responsibility to maintain ship compliance with rules in the period between surveys;
- (q) be committed to the goal of high quality performance, keeping a constant focus on key performance indicators towards continual quality improvement of its Members to enhance safety of life and sea and environment protection;

In conclusion, the IACS strategy is to:

- strengthen its position as trusted partner of regulators with respect to the development of regulations which promote maritime safety, protection of the environment and sustainability;
- strengthen the trust that has been placed in classification by other stakeholders, as the primary mechanism for practical self-regulation of the maritime industry.