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President of the Republic of Palau
Office of the President
P.O. Box 100
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Transmittal Letter: The Palau National Marine Sanctuary Regulations

Dear Mr. President,

It is an honor to submit to you for your review and approval the regulations for one of Palau's most celebrated legislative accomplishments, the Palau National Marine Sanctuary Act. These regulations will replace and improve upon the "PNMS Transition Regulations" that were promulgated following the passage of the PNMS Act. They also take into account and respond to the changes made to the PNMS Act by RPPL 10-35. In line with the priorities of the Republic, these regulations reinforce the PNMS as a no-take marine protected area, establish the framework within which sustainable fishing can occur in the Domestic Fishing Zone, aid the Republic in the fulfillment of its international obligations, and promote food security and sustainable development.

While many important changes have been made to the PNMS Transition Regulations, there are a few new provisions in particular that should be mentioned. The first of these is found in Section 6.18, which covers restrictions on commercial export. In accordance with RPPL 10-35, this section was drafted in a way that clarifies the authority of the Minister of MNRET to control commercial exports for the purpose of ensuring an adequate supply of fish for domestic consumption. It also defines the process by which the Minister can exempt fishing vessels from the requirement that they land in the Republic before they can export any of their catch for commercial purposes. This provision in particular ensures that if a vessel is exempted, the Republic will achieve greater food security through the acquisition of fish at a locally affordable price, the development of fisheries infrastructure, the provision of material support for small-scale fisheries, or other similar measures.

Another significant aspect of these regulations is found in Section 9 and relates to observer coverage and electronic monitoring systems. This section establishes a requirement that by January 1st, 2025, every fishing vessel (excluding pole and line vessels) must have an observer or an approved electronic monitoring system for 100% of vessel days used in the Republic. This requirement adopts a pragmatic timeline while aligning the regulations with the spirit and ambition of the PNMS Act.

Lastly, it should also be mentioned that these regulations will contribute to the gathering of more information on the target and non-target species being caught in Palau's waters. They will achieve this by, among other measures, requiring vessels to offload all of their catch when they come into port, requiring vessels that do not land at a port in the Republic to arrange for port sampling to occur at the foreign port where they land, and by gathering more data from the increase in the use of either observers or electronic monitoring systems. This data will support the efforts of both PICRC and MNRET to better understand our local ecosystems and manage the Republic's fisheries.

It is my hope that you share my view that the completion of these regulations marks a moment to celebrate. The transition period is almost over and soon the Palau National Marine Sanctuary will be in full effect, complemented by a Domestic Fishing Zone governed by these regulations.

Sincerely,

A handwritten signature in blue ink, appearing to read 'F. Umiich Sengebau', with a long horizontal flourish extending to the right.

F. Umiich Sengebau

Minister of Natural Resources, Environment, and Tourism

**MINISTRY OF NATURAL RESOURCES, ENVIRONMENT AND TOURISM
PALAU NATIONAL MARINE SANCTUARY
FISHING REGULATIONS**

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Section 1: General Provisions

1.1 Long and Short Title.

The long title of these Regulations is the “Ministry of Natural Resources, Environment, and Tourism Palau National Marine Sanctuary Fishing Regulations;” the short title of these Regulations is the “PNMS Regulations.” Throughout this document, they are referred to as “Regulations.”

1.2 Authority, Purpose and Scope.

- A. Pursuant to RPPL 9-49, as amended by RPPL 10-35, known as the Palau National Marine Sanctuary Act (“PNMS Act”), the Constitution of the Republic of Palau (the Republic), Titles 7 and 27 of the Palau National Code (PNC), as amended, the Nauru Agreement Concerning Cooperation in the Management of Fisheries of Common Interest, the Palau Arrangement for the Management of the Western Pacific Tuna Fishery, as amended, and other applicable laws, treaties, and agreements of the Republic, the Minister of Natural Resources, Environment and Tourism hereby adopts and promulgates these PNMS Regulations effective from January 1st, 2020.
- B. The purpose of these Regulations is to give effect to and implement the PNMS Act, which divides the Republic’s Exclusive Economic Zone (EEZ) into the Palau National Marine Sanctuary (PNMS) and the Domestic Fishing Zone (DFZ), with the PNMS constituting approximately 80% of the EEZ and the DFZ covering the remaining 20%. Through these Regulations the Ministry shall:
- i. recognize the PNMS as a no-take zone where fishing and the extraction, disturbance, destruction, removal, or alteration of any sanctuary resource is strictly prohibited;
 - ii. set the terms of fishing in the DFZ, and as appropriate, in the High Seas;
 - iii. sustainably manage fishing activities using any gears targeting tuna and tuna-like species, including but not limited to, purse seine, longline, pole and line, and hand line fishing in Palau’s waters pursuant to international fishing agreements and domestic laws; and
 - iv. limit or condition the export of tuna from purse seine and longline vessels as necessary to support the Republic’s food security.
- C. These Regulations are intended to promote sustainable development, food security, and the sustainable management of fishing activities in Palau’s waters by:
- i. creating economic returns, employment generation, and export earnings from the sustainable harvesting of tuna and tuna-like species;
 - ii. encouraging the development of domestic fishing industries and a local tuna market;
 - iii. exercising appropriate control over the foreign and domestic tuna fishery in the Republic;
 - iv. enhancing data collection and monitoring of the tuna fishery in the Republic;

- v. ensuring that the tuna fishery does not harm the health of the Republic's pelagic ecosystems and species of conservation concern, including bycatch species such as sharks, rays, turtles, and seabirds;
 - vi. promoting the effective and efficient administration and management of the longline and purse seine tuna fishery;
 - vii. adopting measures to ensure the long-term sustainability of highly migratory fish stocks that are based on the best available science and designed to maintain or restore stocks at levels capable of producing maximum sustainable yield, as qualified by relevant environmental and economic factors, and taking into account fishing patterns and the interdependence of stocks; and
 - viii. applying a precautionary approach and an ecosystem based management approach in accordance with international standards and any Convention, access agreement or fisheries management agreement to which the Republic is a party.
- D. These Regulations shall apply to all fishing vessels engaging in fishing activities targeting tuna and tuna-like species in Palau's waters and all commercial exports of fish from Palau's waters.

1.3 Definitions.

Under these Regulations:

- A. **Adjusted PAE** means Republic's Party Allowable Effort (PAE), as adjusted in accordance with the Republic Arrangement.
- B. **ALC** means Automatic Location Communicator or Mobile Transceiver Unit (MTU).
- C. **Artisanal fishing** means fishing by a citizen or permitted non-citizen of the Republic in the waters where they are entitled by custom or law to fish where:
 - (i) the fish are taken in a manner that, having regard to the vessel, the equipment and the method used, is small scale and individually operated;
 - (ii) the fish are taken exclusively for household consumption, barter or limited local market trade, unless otherwise prescribed;
 - (iii) the fish caught cannot be commercially exported; and
 - (iv) does not include pole and line fishing.
- D. **Best Practice Guidelines** means fishing guidelines, as modified from time to time, by the Ministry that specify handling guidelines for tuna, tuna-like species, reef fish, turtles, rays, marine mammals, sharks, and any other such sea creatures for which the Ministry produces handling guidelines.
- E. **Bureau** means the Bureau of Oceanic Fisheries Management.
- F. **Director** means the Director of the Bureau of Oceanic Fisheries Management.
- G. **DMLE** means the Division of Marine Law Enforcement under the Bureau of Maritime Security, Fish and Wildlife Protection of the Ministry of Justice.

- H. **Electronic Monitoring or EM** means the use of closed video or photographic system that does not allow external or manual input nor manipulation of data to monitor and track fishing activities and fishing related activities onboard the vessel approved by the Ministry.
- I. **Electronic Reporting or ER** means the use of electronic equipment to record, store, transmit data and information of fishing vessels, fishing activity (fishing days and catch) and related fishing activity such as unloading and transshipment, and e-prenotification; as well as information on processing factory inflows and outflows including product inventories.
- J. **Eligible Party** means any existing domestic or foreign legal person including a fishing vessel duly registered and in good standing to conduct business in the Republic or with the Ministry, including but not limited to Non-Governmental Organizations and for-profit or non-profit corporations, approved by the Minister to purchase and hold Vessel Days.
- K. **Exclusive Economic Zone or EEZ** means that area contiguous to the territorial sea, the inner boundary of which is the seaward boundary of the territorial sea, and the outer boundary is a line, every point of which is two hundred (200) nautical miles seaward of the nearest point on the baseline as defined in Title 27 of the Palau National Code.
- L. **Fish Aggregating Device or FAD** means any man-made or partly man-made device, including those on which an electronic device has been placed to facilitate its location and which is a floating or semi-submerged device, whether anchored or not, intended for the purpose of aggregating fish, and includes any natural floating object.
- M. **Fish** as a verb or *fishing* means:
- i. catching, taking, or harvesting fish, or searching for fish with the intent to catch, take, or harvest them;
 - ii. attempting to catch, take, or harvest fish, or attempting to search for fish with the intent to catch, take, or harvest them;
 - iii. engaging in any other activity which can reasonably be expected to result in the catching, taking, or harvesting of fish;
 - iv. placing or recovering fish aggregating devices or associated electronic equipment such as radio beacons, or searching for such equipment or devices with the intent to recover them;
 - v. any operations at sea in support of, or in preparation for any activity described in i - iv; or
 - vi. the use of any vehicle on sea or air, including aircraft, in relation to any activity described in paragraphs i - v, except when such activities are related solely to the safety of crew members or the safety of a vessel.
- N. **Fishing Day** means any calendar day, or part of a calendar day, during which a fishing vessel is in Palau's waters and docked outside a port.
- O. **Fishing Vessel** means any vessel, boat, ship, or other craft which is used for, equipped to be used for, or of a type which is normally used for:
- i. Fishing, but does not include vessels engaged in artisanal fishing or personal vessels used primarily for recreation or sports; or

- ii. Aiding or assisting one or more vessels at sea in the performance of any activity relating to fishing, including but not limited to, preparation, fueling, supply, storage, refrigeration, transportation, or processing.
- P. **FFA** means the Pacific Island Forum Fisheries Agency.
- Q. **Fishing Agreement** means a contract for fishing negotiated and concluded by the Ministry of Natural Resources, Environment, and Tourism; this definition includes all foreign fishing agreements and Uniform Longlining Agreements.
- R. **Free School Operations** means fishing without any association with objects, natural or man-made, known as FADs, set distances from such FADs being at a minimum one nautical mile or greater, but may include a free school feeding on bait fish.
- S. **FSM Arrangement** means the Federated States of Micronesia Arrangement for Regional Fisheries Access adopted in 1995.
- T. **FFA Good Standing** means such status as is accorded to fishing vessels on the Regional Register of Foreign Fishing Vessels maintained by the Pacific Islands Forum Fisheries Agency.
- U. **Land in the Republic** means offloading of catch, including non-target species, of a fishing vessel on to an official port of the Republic.
- V. **Length Overall**, in relation to a fishing vessel, means the distance in meters (with an accuracy of two decimal places) in a straight line between the foremost point of the bow and the aftermost point of the stern, provided that the bow shall be taken to include the watertight hull structure, forecastle, stem and forward bulwark, and the stern shall be taken to include the watertight hull structure.
- W. **Logbook** means a detailed record of a fishing vessel's fishing activity registered systematically on board the fishing vessel, including the information required pursuant to these Regulations.
- X. **Longline** means fishing gear or method using horizontal mainline to which weights and baited hooks are attached at regular intervals. The horizontal mainline is connected to the surface by floats. The mainline can extend from several hundred yards to several miles and may contain several hundred to several thousand hooks and usually targeting pelagic species.
- Y. **Management Year** means a period of one calendar year (1 January to 31 December).
- Z. **Minister** means the Minister of Natural Resources, Environment and Tourism.
- AA. **Ministry** means the Ministry of Natural Resources, Environment and Tourism.
- BB. **Monitoring, Control and Surveillance or MCS** means the mechanism for implementation of agreed policies, plans or strategies for oceans and fisheries management, including aerial surveillance, boarding and inspection, documentary investigation, and observer programs. The definitions for monitoring, control and surveillance are further defined as follows:
- i. **Monitoring** means the collection, measurement, and analysis of fishing activity including: catch, species composition, fishing effort, by-catch, discards, and area of operations, which may be used by fisheries managers to arrive at management decisions.

- ii. *Control* means the specification of the terms and conditions under which resources can be harvested, and may include specifications normally contained in national fisheries legislation and other arrangements that might be nationally, sub-regionally, or regionally agreed.
 - iii. *Surveillance* means the regulation and supervision of fishing activities to ensure that national legislation and terms, conditions of access, and management measures are observed.
- CC. “**Niue Treaty Information System**” is a computer system established by the FFA to store, manage, and make available certain information and authority to users of the system.
- DD. “**Niue Treaty Subsidiary Agreement**” means the Agreement on Strengthening Implementation of the Niue Treaty on Cooperation in Fisheries Surveillance and Law Enforcement in the South Pacific.
- EE. *Observer* means any person required or authorized to be carried for conservation and management purposes on a fishing vessel fishing in the Republic’s internal waters, territorial sea, exclusive economic zone, or for continental shelf resources of the Republic by directives or authorized permits.
- FF. *Palau Arrangement* means the Palau Arrangement for the Management of the Western Pacific Tuna Fishery – Management Scheme for the Longline Vessel Day Scheme adopted in March 2015.
- GG. *Palau’s waters* means the Republic’s internal waters, contiguous zone, territorial waters, exclusive economic zone and all waters over which the Republic has jurisdiction in accordance with international laws.
- HH. *Party Allowable Effort or PAE* means the total number of vessel fishing days for a management year allocated and presented to the Republic under the Palau Arrangement each management year.
- II. *Permit* means a permit issued by the Ministry to conduct fishing activities within Palau’s waters in accordance with these Regulations.
- JJ. *Permitted Parties* means the vessel owner, beneficial owner, the fishing vessel, the fishing company or any person or corporation who holds a valid permit to conduct fishing activities within Palau’s waters,
- KK. *Parties to the Nauru Agreement or PNA* means the Parties to the Nauru Agreement Concerning Cooperation in the Management of Fisheries of Common Interest.
- LL. *PNA Benchmark Price* means the current benchmark price for longline and purse seine tuna fishing days established by the PNA.
- MM. *PNA Vessel Day Scheme Register or PNA VDS Register* means the registry established by the director of the Parties to the Nauru Agreement Office in accordance with Article 7 of the Palau Arrangement.
- NN. “**Port sampler**” means a category of authorized observer or fisheries officer who performs duties at a point of transshipment or port located either inside or outside the Republic.

- OO. **Purse Seine or purse seining** means the method of fishing which involves drawing a fishing seine into the shape of a bag to enclose the catch or a fishing seine so arranged that after the ends have been brought together the bottom can be closed.
- PP. **RPPL 9-49** means the Palau National Marine Sanctuary Act, as amended, codified in Title 27 of the Palau National Code.
- QQ. **Tuna** means any fish within the tribe (*Thunnini*) and its four genera (*Thunnus*, *Euthynnus*, *Katsuwonus*, and *Auxis*), including but not limited to skipjack, bigeye, albacore, bluefin and yellowfin species.
- RR. **Tuna-Like-Species** and billfishes are pelagic and neritic fish of the suborders Scombroidei and Xiphoidei, which are often caught as by-catch when fishing for tunas and includes, but is not limited to marlins (*Makairaspp.*), sailfish (*Istiophoruspp.*), spearfish (*Tetrapturuspp.*) and swordfish (*Xiphias gladius*, only species in the genus), slender tuna (*Allothunnus fallai*), butterfly kingfish (*Gasterochisma melampus*), wahoo (*Acanthocybium solandri*), bonitos (tribe Sardini), Spanish mackerels (tribe Scomberomorini), king mackerels (*Scomberomorus cavalla*), seerfishes, sierra (*Scomberomoruspp.*), Indo-Pacific king mackerel (*Scomberomorus guttatus*), and narrow-barred Spanish mackerel (*Scomberomorus commerson*).
- SS. **Unpermitted parties** means a vessel owner, beneficial owner, the fishing vessel, the fishing company or any person or corporation who does not hold a valid permit to conduct fishing activities within Palau's waters.
- TT. **Vessel Day** means a single day in which a single vessel is authorized by law to fish.
- UU. **Vessel Monitoring System or VMS** means the use of electronic location technologies employed by FFA members such as a Mobile Transceiver Unit ("MTU"), Automatic Location Communicator ("ALC"), and iFIMS, to monitor the position and activities of fishing vessels for the purpose of effective management of fisheries.
- VV. **Vessel Operator** means charterer, operator, master or any other person responsible for the operation of a fishing Vessel.
- WW. **Vessel Owner** means the person or entity that holds registered title to a fishing vessel.
- XX. **WCPFC** means Western and Central Pacific Fisheries Commission.

1.4 Hierarchy of Laws

Should conflict arise between the laws of the Republic, these Regulations, and any fishing agreements, the following hierarchy will control: (1) laws of the Republic; (2) these Regulations; and (3) fishing agreements.

Section 2: Longline and Purse Seine Vessel Day Scheme Framework

2.1 Vessel Day Availability, Pricing; Annual Report.

On an annual basis, the Minister shall, in accordance with PNMS Act, the Palau Arrangement, and related PNA rules, make vessel days for the longline and purse seine vessel day scheme for a

given management year available for purchase by eligible parties in an amount not to exceed the Republic's adjusted PAE for that management year.

2.2 Sale of Vessel Days.

- A. The Minister may sell or reserve vessel days prior to the start of the management year or at any other time as he sees fit to any eligible party.
- B. The Minister shall have the discretion to negotiate sales prices for vessel days but such sales prices shall be no less than the minimum benchmark set by the PNA.
- C. The Minister shall provide an annual report to the President and the Olbiil Era Kelulau of all bids received for vessel days, as well as all information relating to all sales, including sale price, bidding parties, and parties to whom vessel days or reduced vessel days were allocated, transfers during the year, and any additional information requested by the Olbiil Era Kelulau by no later than the end of the applicable management year.

2.3 Vessel Day Transfer; Transfer Notices, and Restrictions.

- A. Vessel days may be transferred between eligible parties, including by an eligible party that does not engage in fishing activities to enable another eligible party to engage in fishing activities, at a price negotiated by such parties, provided that:
 - i. the transferor provides prior written notice to the Ministry of the said transfer;
 - ii. the transfer is in accordance with these Regulations; and
 - iii. a party shall not transfer more than its available vessel days.
- B. Transfers shall be effective only upon the date the transfer notice is received and approved by the Ministry, whereupon the Ministry shall deduct the vessel days transferred from the transferor's account to the transferee's account.
- C. Transfer notices shall specify parties to transfer, date of transfer, the sales price, specific vessel days transferred, total number of vessel days transferred and any other material terms of the transfer. Transfer notices shall be accompanied by payment of a fee determined by the Minister prior to the start of every management year. Transfers that do not comply with requirements under this section will be invalid.

2.4 No Carry Forwards or Advancing of Days.

Vessel days will only be valid for the management year for which such vessel days were issued, and may not be carried forward to another management year or advanced from an upcoming management year.

2.5 Restrictions on Days; Binding on Transferees.

- A. Eligible parties may place restrictions on vessel days by agreement or otherwise, provided that the party placing the said restrictions provides a written notice of such restrictions to the Ministry and those restrictions are not inconsistent with the laws of the Republic.
- B. Restrictions shall be effective only upon the date the restriction notice is received by the Ministry.
- C. Restriction notices shall specify the restrictions in reasonable detail, including the effective date of the restriction.
- D. Upon effectiveness, the restrictions shall apply to and bind any and all subsequent transferees of the restricted vessel days unless expressly designated otherwise by the party imposing restrictions.

2.6 Monitoring and Implementation.

The Ministry shall establish and maintain a set of accounts to record purchases and transfers of vessel days and any terms of such transfers, the sales price of such transfers, the owners of vessel days, and any non-financial encumbrances or other restrictions placed on a vessel day by any eligible party by agreement or otherwise. All such information recorded by the Ministry in such vessel day accounts shall be made available to the public upon reasonable request.

2.7 Fishing Days Calculation.

- A. Fishing days for the longline and purse seine vessel day schemes shall be calculated in accordance with all rules and procedures adopted by the PNA.

2.8 Use of Vessel Days.

- A. In order to engage in fishing activities in Palau's waters, permitted parties must meet the following requirements:
 - i. fishing vessels shall have sufficient vessel days, as purchased from the Ministry or transferred from third parties in compliance with these Regulations commensurate with the fishing effort desired;
 - ii. permitted parties shall obtain and maintain a valid fishing permit issued by the Ministry under these Regulations, and shall comply with all the terms and conditions in the fishing permit;
 - iii. every fishing vessel shall be registered on the PNA Vessel Day Scheme (VDS) Register, the FFA Vessel Monitoring System (VMS) Vessel Register, and the WCPFC Record of Fishing Vessels (RFV). Failure to maintain good standing under the registries and lists mentioned above, or to comply with all requirements under PNA, shall result in an automatic suspension of the permit and the imposition of any other applicable penalties under the laws of the Republic;

- iv. fishing vessels shall conduct all of their fishing activities in compliance with Title 27 of the PNC, as amended, all laws and regulations of the Republic, and any applicable treaties or agreements; and
- v. all permitted parties shall comply with the terms and conditions imposed in these Regulations.

Section 3: Fishing Permit Process

3.1 Obtaining a Permit.

- A. To obtain a permit to fish in the waters of the Republic, the fishing company, fishing vessel, vessel owner, beneficial owner of the fishing company or fishing vessel, and vessel operator, must satisfy the provisions of Title 27 of the PNC, the PNMS Act, these Regulations, and all other applicable laws of Republic.
- B. Under the law, the fishing company, vessel owner, beneficial owner of the fishing company or fishing vessel, vessel operator, and agent, herein collectively, the permit applicants, must all agree to the terms and conditions set forth in the permit and understand the laws and regulations governing such, including but not limited to these Regulations, Title 7 and 27 of the PNC and any amendments thereto, and the international requirements of the FFA, PNA, and WCPFC. Thus, all permit applications shall include an acknowledgment by the applicant as to the terms of such permit and the laws and regulations governing such.
- C. Prior to submitting a permit application, the permit applicants shall designate the party responsible for making all payments pursuant to the permit, with the understanding that such designation does not relieve the other parties to the permit from their responsibility under the permit to make fee payments in accordance with this section. The party designated by the permit applicants, shall pay the fees set out by the Bureau.
- D. The permit applicants shall submit the completed permit applications to the Ministry by hand delivery, post, facsimile, or electronically through email in the form prescribed by the Bureau. The permit application must contain the reference number for the fee(s).
- E. The permit applicants shall provide the Ministry with a charter, agreement, contract, business license or other document evidencing the existence of the legal relationship between the permit applicants, including but not limited to, the fishing vessel and the fishing vessel owner(s) or vessel operator(s) for whom the fishing vessel is applying for the fishing permit.
- F. The vessel owner or vessel operator shall designate an agent for service of process for all of the permit applicants and the fishing vessel's crew. The permit applicants shall provide the Ministry, in the Minister's discretion, a performance bond or other security acceptable to the Minister to secure the permit applicants' compliance with these Regulations.
- G. As part of the permit, the permit applicants shall provide a number of documents, in the English language, including but not limited to:
 - i. evidence of insurance that complies with these Regulations;
 - ii. the fishing vessel's FFA regional registration number;
 - iii. proof of registration under the PNA VDS Register;

- iv. proof of good standing on the FFA VMS Vessel Register;
 - v. proof of authorization on the WCPFC RFV;
 - vi. the owner's business license and a list of beneficial owners that have at least 25% of cumulative share in the business; and
 - vii. crew contracts, as appropriate.
- H. As part of the permit application process, the fishing vessel shall be subject to physical inspection by the authorized government officials.
- I. Permit applicants must indicate the type of fishing activities they would like to carry out, e. g. purse seine or longline.

3.2 Review of Permit Applications from Permit Applicants with Existing Fishing Agreements.

- A. The Ministry shall promptly review the complete permit applications.
- B. Upon approval of a permit application, the Ministry shall issue and transmit the permit to the designated agent of the permitted parties.
- C. Upon rejection of a permit application, the Ministry shall as soon as practicable notify the designated agent on the application of the rejection and the reasons for the rejection. The permit applicants may resubmit a new permit application responding to the reasons for the rejection of the initial permit, and fee payment, without prejudice, with appropriate explanation.

3.3 Review of Permit Applications from Permit Applicants not Subject to an Existing Fishing Agreement.

- A. For permit applicants who do have an existing fishing agreement with the Republic as of the effective date of these Regulations, the Director shall transmit copies of the application to the Olbiil Era Kelulau, the Director of the Bureau of Marine Resources, the Chief of the Division of Marine Law Enforcement and to any other person or organization that requests copies of the application.
- B. The Bureau shall review the application, soliciting feedback from appropriate persons in the Republic and holding public hearings, and may approve the application on such terms and conditions and with such restrictions as the Bureau deems appropriate.
- C. If the Bureau does not approve the application, the Director or his designee shall notify the permit applicants of the disapproval and reasons therefore. The permit applicants may resubmit a new permit application responding to the reasons for the rejection of the initial permit, without prejudice, and with appropriate explanation.
- D. Upon approval of the permit application, the Bureau shall issue and transmit the permit to the designated agent of the permitted parties.

3.4 Display of Permit by Fishing Vessel.

- A. An original fishing permit may be withheld until a physical inspection of the vessel has been completed and certified by the Bureau in order to verify compliance with all the requirements of the law, these Regulations, and the fishing agreement. Upon release, the permit must be prominently displayed in the wheelhouse of the vessel. Fishing vessels may commence fishing upon receipt of the original permit pursuant to these Regulations.
- B. Failure to properly display the permit, upon issuance, is a violation of law which may subject the permitted parties to a fine of one thousand dollars (\$1,000).
- C. Where the permit is a renewal of an existing permit and the fishing vessel wishes to fish on the inbound journey, they may do so within the first thirty (30) days after issuance. The vessel shall then be subject to physical inspection upon its first arrival at a port within the Republic.

3.5 Effective Period of Permit.

Permits issued by the Ministry shall be valid for one management year.

Section 4. Suspension and Revocation of Permit

4.1 Automatic Suspension of Permit.

- A. Under the following circumstances, a permit is automatically suspended:
 - i. Where the good standing or authorization of a fishing vessel or a permitted party on the PNA VDS Register, the FFA VMS Register, or the WCPFC RFV is withdrawn, any permit related to the vessel or permitted party is automatically suspended until and unless the good standing of the fishing vessel or permitted party is restored.
 - ii. Where the insurance on a fishing vessel no longer meets the standards set forth in these Regulations, the permit on that fishing vessel shall be automatically suspended until and unless that fishing vessel's insurance is brought back to standard.
 - iii. Where a fishing vessel or permitted party is cited for or charged with a violation of the Palau National Code in relation to their fishing activities, the permit for that fishing vessel or permitted party shall be automatically suspended until the citation or charge is resolved.

4.2 Suspension of Permit.

- A. The Minister shall have the authority to propose a suspension of a permit for a period of time where:
 - i. there has been any misreporting or failure to report as required under these Regulations;
 - ii. the Minister has reasonable grounds to suspect that there has been a contravention of, or a failure to comply with, a term or condition of the permit;
 - iii. any fee, charge, or levy required related to the permit has not been paid;
 - iv. a material misrepresentation, omission, or misstatement of fact has been made in the application for the permit;

- v. the holder of the permit has been charged with an offense under any law and there has been no final determination of the charge;
 - vi. he or she finds that there are grounds to do so under the law or these Regulations;
 - vii. for a specified period, he or she believes the suspension is necessary for the proper management of a fishery;
 - viii. any person has been convicted of an offense under the PNMS Act and a fine imposed by the Courts has not been paid within the required time;
 - ix. he or she determines that there is good cause to do so; and
 - x. on the advice of the Bureau that continued fishing at current levels would pose a risk to the fish stocks based on a precautionary approach.
- B. Before a permit is suspended, the Ministry shall provide notice to the permitted parties through service to their agent, specify the grounds for the proposed suspension, and allow the permitted party to contest the proposed suspension as follows:
- i. where the permit is being suspended under subsection (A)(i)-(iii), allow the permitted party not more than 14 days after the date of serving of the notice to remedy the contravention or the failure to comply or pay; or
 - ii. where the permit is being suspended under subsection (A)(iv)-(x), allow the permitted party not more than 14 days after the date of service of the notice to make representations as to why the permit should not be suspended.
- C. If the permitted parties do not contest the suspension of a permit under subsection (A), it takes effect on the expiry of the time allowed in the notice under subsection (B) and continues until the suspension is rescinded by the Minister or the permit expires or is cancelled.
- D. On the request of the permitted parties, the Minister shall allow the permitted parties a hearing where the permitted party shall have an opportunity to be heard within 14 days of the notice of intent to suspend the permit. The Minister shall rescind the notice if they are satisfied that the grounds for suspension do not apply or are not sufficiently serious as to merit suspension.
- E. On the application of the permitted parties, the Minister shall rescind a suspension under this section where the holder is performing their obligations and complying with the Act and these Regulations.

4.3 Automatic Termination of Permit.

- A. The Minister may terminate a permit, effective immediately in the following circumstances:
- i. where a permitted party is convicted of an offence against Title 27 of the PNC, as amended, these Regulations, or any other applicable law related to fisheries; or
 - ii. where a permitted party is convicted of an offence involving dishonesty under any law.
- B. Where the flag state registry or the ownership of a permitted vessel changes, or it is established that a fishing vessel has more than one flag state registration, or a change of ownership has not been approved by the Minister, any current permit in respect of the fishing vessel shall automatically terminate.

4.4 Cancellation of Permit by Minister.

- A. The Minister may cancel a permit where:
- i. information required to be given or reported under the law or these Regulations and any applicable access agreement is false, incomplete, incorrect or misleading;
 - ii. the permitted parties (or where one of the permitted parties is a corporate person, any of the principals of the permitted parties) become bankrupt or apply to take the benefit of a law for the relief of bankrupt or insolvent debtors;
 - iii. there are reasonable grounds to believe that the fishing activities are not being conducted in accordance with the requirements of the law or these Regulations, any applicable access agreement or other agreement, or any other relevant law, or where there has been a significant change in the circumstances of the permitted parties sufficient to justify cancellation of the permit;
 - iv. there has been serious misreporting or consistent failure to report as required under this Act;
 - v. any fee, charge or levy required in relation to the permit has not been paid; or
 - vi. there have been more than two consecutive failures to provide a report as required under this Act; or
 - vii. there is any other reason based in law or these Regulations that justifies the cancellation of a permit.
- B. Where the Minister proposes to cancel a permit under this section, the Minister shall serve a notice on the permitted parties through service to their agent:
- i. advising the permitted parties of the intention to cancel the permit and of the reasons for the intended cancellation; and
 - ii. notifying the permitted parties that, within 14 days from the date of service of the notice, they have the right to make representations as to why the permit should not be cancelled.
- C. On the request of the permitted parties within 14 days from the date of the service of the notice under subsection (B), the Minister shall allow the permitted parties an opportunity to be heard.
- D. Where the permitted party does not make, within fourteen (14) days, representations under subsection (B) or a request to be heard under subsection (C), the Minister shall cancel the permit.
- E. Where representations have been made under subsection (B)(ii) or there has been a hearing under subsection (C), within seven (7) days of the submission of the representations or the date of the hearing, whichever is later, the Minister shall make a final decision regarding the revocation of the permit and provide notice with the written reasoning for the Minister's decision to the permitted parties by serving such decision on the agent of the permitted parties.

4.5 Surrender of Permit.

- A. Where a permit is suspended, terminated or cancelled under these Regulations, the permitted parties shall, within five (5) working days of receiving notice of the suspension, termination or cancellation, surrender the permit to the Bureau.
- B. On the expiry of the period of suspension of a permit, the Bureau shall return it to the permitted parties.

4.6 Effect of a Permit Revocation.

Any permitted party whose permit has been revoked is prohibited from applying for a new permit for a period of one year.

Section 5: Additional Terms and Conditions of Permits – Crewing Labor Conditions

- A. In addition to the terms and conditions of permit found in section 167 of Tittle 27, and in accordance with regionally applicable standards, the following terms and conditions of permit shall apply:
 - i. The operator shall be responsible for the health, welfare, and safety of the crew on board the vessel throughout the duration of the contract.
 - ii. The operator shall ensure that a written contract is executed and signed between the operator or through a representative of the operator and the crew before the commencement of employment.
 - iii. The operator shall observe and respect any form of basic human rights of the crew in accordance with generally accepted international human right standards.
 - iv. The operator shall take all reasonable steps to ensure that crew are not assaulted or subject to torture, cruel, inhumane or degrading treatment and shall treat all crew with fairness and dignity.
 - v. The operator shall be responsible for the provision to crew for health protection and management for sickness, injury or death while employed or engaged or working on a vessel at sea or in a foreign port. In the event of injury or sickness, medical care shall be provided free of charge to the crew.
 - vi. The operator shall in the event of death notify the relevant authority as soon as practicable, ensure that the body is well preserved for the purposes of an autopsy and an investigation, and shall undertake immediate repatriation of the body to the nearest appropriate available port.
 - vii. The operator shall advise the crew's next of kin in the event of an emergency.
 - viii. The operator shall provide a decent and regular remuneration to the crew.
 - ix. The operator shall provide repatriation of the crew to his or her point of hire and all related cost where the contract is terminated as follows:
 - a. The contract is expired whilst the crew is still abroad;

- b. The crew cannot perform his or her duty due to sickness or other medical reasons; and
 - c. Where the contract is terminated in accordance with the signed contract.
- x. The operator shall ensure that crew are given regular periods of rest of sufficient length to ensure safety and health in accordance with international standards.
- xi. The operator shall ensure:
 - a. that the vessel is safe in accordance to accepted international standards on safety of vessels; and
 - b. the safety of crews on board, the safe operation of the vessel, and the provision of on-board occupational safety and health awareness training.
- xii. The operator shall provide the following at no cost to the crew:
 - a. full travel costs from the point of hire to and from the vessel;
 - b. full insurance coverage, to and from, and on, the vessel throughout the duration of the contract;
 - c. a copy of the insurance policy;
 - d. appropriate and adequate safety equipment and tools;
 - e. appropriate accommodation which shall be in a clean, decently and habitable condition and is maintained in a good state of repair taking into regard the comfort, the health and safety of the crew;
 - f. appropriate sanitary facilities which are hygienic and in a proper state of repair; and
 - g. an adequate amount of suitable food and water having regards to the crew's health, religious requirements and cultural practices in relation to food.
- xiii. The operator prohibits deduction from crew wages by any party for any expenses related to work.

Section 6: Fishing Restrictions

6.1 Prohibited Areas.

No fishing activities by fishing vessels or their crew are allowed within the internal waters, territorial sea, or contiguous zone of any portion of the Republic, with the exception of pole and line fishing vessels which may fish anywhere in the Domestic Fishing Zone, and as approved, within the territorial sea. No bottom fishing, coral reef fishing, chumming, trolling except as part of pole and line fishing, or use of hand lines of any kind is permitted by fishing vessels or their crew.

6.2 FADs.

- A. The taking, retrieving, deploying, and fishing on drifting FADs is expressly prohibited within Palau's waters.
- B. The Minister must approve the deployment of anchored FADs.
- C. Every anchored FAD deployed in Palau's waters must be:
 - i. clearly marked with the name of the owner and of the vessel from which the device was placed;
 - ii. equipped with a radar reflector with lights that must be clearly visible at night from a distance of one nautical mile;
 - iii. placed so that it is not in the path of any navigational shipping routes; and
 - iv. marked or have such other equipment as the Director may require.
- D. Pole and line vessels shall not fish on or around anchored FADs deployed by the Bureau, unless the Minister has granted the vessel(s) written approval.
- E. Pole and line vessels shall not fish on or around anchored FADs deployed by the Palau Sports Fishing Association, or any other organization or person, unless written permission is granted to the operator of the pole and line vessel by the person or organization who deployed it.
- F. No person shall destroy, damage, or take any part of a FAD that was installed by another person or organization, including the Bureau.

6.3 Additional Prohibited Areas.

The Minister may designate additional areas where fishing is prohibited. Permitted parties will receive notice through their agent, with the prohibitions becoming effective thirty (30) days after notice is served.

6.4 Restrictions on Fishing near Submerged Reefs.

No fishing activities are permitted within one mile of any submerged reef. For the purposes of this section, "Submerged reef" means a coral reef forming a geographic and ecologic unity which is wholly submerged at high tide.

6.5 Stowing of Gear and Entry/Exit in Palau's waters.

- A. The operator of a fishing vessel in any place in Palau's waters where it is not permitted for fishing or related activities, shall ensure that all gear on board is at all times stowed or secured in such a manner that it is not readily available for fishing while the vessel remains unpermitted or unauthorized to engage in fishing or related activities in such area.
- B. The operator of a foreign fishing vessel not permitted pursuant to the PNMS Act or an applicable access agreement that is navigating through Palau's waters shall report its name, International Radio Call Sign, flag registration, the date and time, position (to 1 minute of

arc), intended activity, and catch on board, to the Minister or their nominee electronically or manually, as follows:

- i. at prescribed distance or time intervals 48hrs prior to entry into Palau's waters;
 - ii. upon entry into Palau's waters;
 - iii. at prescribed time intervals while within Palau's waters;
 - iv. 24hrs prior to departure from Palau's waters; and
 - v. at any other time as prescribed.
- C. To ensure proper receipt of the notice described in subsection (B) by the government, such notice will be provided to the government during working weekdays and not on weekends or Republic holidays.
- D. Where the operator of a fishing vessel not permitted pursuant to the PNMS Act or an applicable access agreement is navigating through Palau's waters and refuses or otherwise fails to report the information described in subsection (B), there shall be a refutable presumption that all fish found on board have been caught within Palau's waters in contravention of these Regulations.
- E. Where the operator of a fishing vessel is going to participate in a rescue operation within Palau's waters, that operator shall be exempted from the requirements in subsection B(i) and B(iv) to report 48hrs prior to entry into Palau's waters and 24 hrs prior to departure. In place of those requirements, the operator of a fishing vessel shall report to the Minister or their nominee the operator's intent to initiate a rescue operation and, once the operation is concluded, its intent to depart from Palau's waters.

6.6 Loss of Gear.

If a fishing vessel loses fishing gear overboard and is unable to retrieve it, or is forced for safety reasons to abandon the gear and is unable to subsequently retrieve it, such fishing vessel must report the lost or abandoned gear to the Bureau within 12 hours after the vessel acknowledged it was impossible to retrieve.

6.7 Longline Gear Restrictions.

- A. Fishing vessels permitted for longlines may only use longlines that adhere to the following specifications:
- i. fishing vessels will only use monofilament polyamide (nylon) or fluorocarbon for mainlines and branch lines, and if a leader is used, these must be made of monofilament polyamide (nylon) with a minimum length of 0.5 meters from the eye of the hook and the maximum leader diameter will be 4.0 mm;
 - ii. fishing vessels will not use, store, transport, or possess twined steel (or other metal) line anywhere within Palau's waters. The presence of steel leaders, line, or leads on board the vessel creates a rebuttable presumption that such materials were used in fishing activities; and

- iii. fishing activities using branch lines connected to floats, buoys or drop lines, known as shark lines, are banned; branch lines can only be connected to the mainline. The upper portion of a branch line, where they connect with the mainline, can use multi-filament or other durable materials for a maximum of 0.5 meters length from the mainline.

6.8 Complete Prohibition on Reef Fish, Turtles, Rays, Marine Mammals or Seabirds.

- A. Fishing vessels shall not fish for any reef fish, turtle, ray, marine mammal, seabird, or any part of any such sea creature or seabird, or otherwise intentionally mutilate or injure any such sea creature or seabird.
- B. If any such reef fish, turtle, ray, marine mammal, or seabird is inadvertently caught or captured alive, it shall be released whether dead or alive.
- C. If caught alive, it shall be released in a manner in accordance with Best Practices Guidelines that afford it the greatest opportunity for survival.
- D. If caught dead, the ban remains in effect and such retention is prohibited.
- E. A fishing vessel shall not have any prohibited species specified under subsection (A) of this section, in whole or in part, on board while the fishing vessel is in Palau's waters other than to handle and release these species in accordance with the Best Practices Guidelines.
- F. In the case of purse seine fishing vessels, notwithstanding subsections B, C, D, and E, vessels shall release any species specified under subsection (A) of this section whether dead or alive as soon as the vessel finds it.

6.9 Complete Prohibition of Shark Fishing.

- A. Fishing vessels shall not fish for any shark, or any part of any shark, or remove the fins of or otherwise mutilate or injure any shark.
- B. If any shark is inadvertently caught alive, it shall immediately be released in a manner in accordance with Best Practices Guidelines that affords it the greatest opportunity for survival.
- C. If any shark is caught dead, it shall immediately be discarded.
- D. A fishing vessel permitted to fish within the Republic shall not have any shark or shark part on board while the fishing vessel is in Palau's waters.

6.10 Complete Prohibition of Fishing Associated with Whale Sharks.

- A. It is prohibited for any fishing vessel to fish for whale sharks (*Rhincodon typus*).
- B. A purse seine vessel shall not engage in fishing or related activity in order to catch tuna associated with whale sharks.
- C. If any whale shark is inadvertently caught alive, it shall immediately be released in a manner in accordance with Best Practices Guidelines that affords it the greatest opportunity for survival.
- D. If any whale shark is caught dead, it shall immediately be discarded.

6.11 Bycatch Reporting.

In accordance with any existing regional rules or guidelines, it is the responsibility of every fishing vessel operator to record all bycatch in the vessel's logbook. All bycatch data contained in logbooks shall align with data obtained from port sampling, observers, and electronic monitoring systems.

6.12 Catch Retention.

- A. All tuna and tuna-like species caught by a fishing vessel permitted pursuant to the PNMS Act to fish in the domestic fishing zone of the Republic shall be retained on board and then landed.
- B. Where the operator of a purse seine fishing vessel permitted to fish pursuant to the PNMS Act determines that fish should not be retained on board for reasons related to the size, marketability, or species composition, the said fish shall only be released, as soon as practical, before the net is fully pursed and one half of the net has been retrieved.
- C. Subject to subsections (D), (E) and (F), the requirement specified in subsection (6.12)(A) of these Regulations shall not apply to:
 - i. fish clearly and demonstrably unfit for human consumption; and
 - ii. fish caught during the final set of a trip when there may be insufficient well space to accommodate all fish caught in that set.
- D. For the purposes of subsection (C)(i), fish clearly and demonstrably unfit for human consumption:
 - i. includes, but is not limited to, fish that:
 - a. is meshed or crushed in the purse seine net; or
 - b. is damaged due to shark or whale depredation; or
 - c. could cause the quality of the cooling water in the fish hold to deteriorate; or
 - d. has died and spoiled in the net where a gear failure has prevented both the normal retrieval of the net and catch and efforts to release the fish alive; and
 - ii. does not include fish that:
 - a. is considered undesirable in terms of size, marketability, or species composition; or
 - b. is spoiled or contaminated as the result of an act or omission of the crew of the fishing vessel.
- E. Where the operator of a permitted fishing vessel determines that fish is clearly and demonstrably unfit for human consumption in accordance with subsection (D), and:
 - i. an observer is onboard the fishing vessel, the said fish shall not be discarded from the vessel until after the observer has estimated the species composition of the fish to be discarded; or
 - ii. an observer is not onboard the fishing vessel, the said fish shall not be discarded from the vessel until after the operator has estimated the species composition of the fish to be discarded.

- F. For the purposes of subsection (C)(ii), any excess fish that cannot be accommodated in the fishing vessel may only be discarded if:
 - i. the vessel master and crew attempt to release the fish alive as soon as possible;
 - ii. an observer has estimated the species composition of the fish to be discarded; and
 - iii. no further fishing is undertaken after the discard until the fish on board the vessel has been landed.
- G. The operator of the fishing vessel shall submit a report to the Minister or authorized officer as soon as practicable regarding any discard.

6.13 Transshipment at Sea Prohibited.

The permitted parties shall not transship fish at sea from a fishing vessel within Palau's waters.

6.14 Transshipment in Port Requirements.

- A. All retained catch shall be landed at an officially recognized port within the Republic. If any tuna or tuna-like species are transshipped at a Republic port, the vessel taking receipt of such tuna or tuna-like species must be qualified for transshipment purposes under the laws of the Republic; and
- B. The operators of such transshipment vessels shall complete a transshipment declaration in the prescribed form required by the Bureau and shall submit that declaration to the Bureau prior to departure from a Republic port.

6.15 Bunkering at Sea Prohibition and Provisions.

- A. Permitted fishing vessels shall not bunker at sea unless exempted by the PNA Bunkering Measure; whether such bunkering is done within Palau's waters or on the High Seas.
- B. Fishing vessels shall not supply other vessels that are not permitted to fish in Palau's waters. Permitted fishing vessels shall purchase their provisions, including fish bait, food, packaging materials, fishing gears, or equipment, spare parts, water, electrical power, and fuel from sources in the Republic, unless such goods or services cannot be reasonably obtained from local sources.
- C. In the event such goods and services cannot be reasonably obtained in the Republic, the permitted fishing vessel may obtain provisions from other sources outside the Republic provided that the permitted fishing vessel shall utilize the duly licensed commercial carriers for shipment of the provisions with the exception of fish bait, fish packaging materials, fishing gear or equipment, spare parts for the vessel, and other provisions normally carried by a fishing vessel.

6.16 Additional Conservation Measures.

- A. The Minister may, at their discretion or upon the advice of the Palau International Coral Reef Center, incorporate additional conservation management measures, whether by law or as conditions on permits issued, in order to protect any marine species affected by commercial fishing operations, including, but not limited to, reef fish, seabirds, rays, sharks, turtles, and marine mammals. A notice of such additional conservation measures shall be provided to permitted parties through service to their agent with such additional conservation measure taking effect thirty (30) days from date of service on the agent.
- B. The Minister may include as a condition of permit, the applicable international conservation and management measures adopted by any regional fisheries management organization that the Republic is a party to, which shall have the force of law.

6.17 International Obligations of the Republic.

The Republic may limit the catch of other marine resources, whether by law or as conditions on Permits issued, in order to fulfill any of its international obligations.

6.18 Restrictions on Commercial Export.

- A. Fish caught in the Domestic Fishing Zone shall only be available for domestic sale and shall not be exported for commercial purposes, with the exception of fish caught through purse-seining utilizing free school operations or through longline fishing.
 - i. The Minister retains the authority to establish conditions or limitations on any export of fish for commercial purposes to ensure an adequate supply of fish for domestic consumption.
- B. Unless exempted by the Minister, all fishing vessels must land in the Republic before any of their catch may be exported for commercial purposes.
 - i. The Minister has the authority to exempt fishing vessels, including fishing companies and associations, from the requirement that they land in the Republic before any of their catch may be exported for commercial purposes if the Minister makes a determination that the Republic will accrue a comparable benefit to if the vessel(s) had landed. The Minister may find that a comparable benefit will accrue where:
 - a. The Minister is granted a right of first purchase to ten percent (10%) of their total annual catch from Palau's waters at a locally affordable price; or
 - b. An agreement or arrangement is in place or scheduled to increase food security in the Republic through the development of fisheries infrastructure, the provision of material support for small-scale fisheries, or other measures.

6.19 Fishing in Certain Areas of the High Seas Prohibited.

- A. A purse seine fishing vessel permitted pursuant to these Regulations to fish in the domestic fishing zone shall not, whilst the permit is in force, undertake any fishing or any related activities in the following high seas areas:

- i. the high seas area bounded by the exclusive economic zones of the Federated States of Micronesia, Indonesia, the Republic of Palau, and Papua New Guinea;
 - ii. the high seas area bounded by the exclusive economic zones of the Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Papua New Guinea, Solomon Islands, and Tuvalu; and
 - iii. the high seas area bounded by the exclusive economic zones of the Cook Islands to the west, French Polynesia to the east, and Kiribati to the north.
- B. At all times when a purse seine fishing vessel permitted pursuant to the PNMS Act is on high seas areas specified in subsection (A), the operator shall ensure that all gear on board is stowed or secured in such a manner that it is not readily available for fishing.

Section 7: Responsibilities of a Fishing Company, Vessel Owner, and Vessel Operator

7.1 Fishing Company, Vessel Owner, and Vessel Operator Shall Ensure Compliance.

The fishing company, vessel owner, and vessel operator shall ensure that its fishing vessels comply with these Regulations and other relevant laws of the Republic, and in addition, to ensure that the crew members are familiar with these Regulations and all other applicable laws of the Republic.

7.2 Agent for Service of Process.

For purposes of service of process and communication, the permitted parties shall appoint an agent, who may be a fishing company operating in the Republic, to serve as the agent for service of process for the permitted parties. Any communication, information, document, direction, request, or response to or from the agent shall be deemed to have been sent by or received from the permitted parties. Any notice from the Republic shall be deemed served on the applicant parties or permitted parties once served on their agent.

7.3 Liability of Each Vessel Owner.

The vessel owner acknowledges that violations of the terms of these Regulations, any permits issued, or the laws of the Republic may subject each fishing company, fishing vessel, vessel owner, vessel operator, and crew to liability, not only under these Regulations, but also under the relevant laws of the Republic.

7.4 Insurance for all Vessels.

- A. Each fishing vessel shall be covered by insurance that complies with the following requirements:
- i. Hull and machinery insurance (or cash/cash-equivalent bond) in an amount equal to the insurable value of the fishing vessel and its machinery. With this policy, the vessel owner must provide the Republic with a copy of the insurance policy and a current written appraisal of the value of the fishing vessel and its machinery.

- ii. Protection and indemnity insurance (or cash/cash-equivalent bond), including coverage for injury to crew members and observers for each occurrence, with minimum limits and other terms as established by the Minister.
- iii. Pollution and spill liability insurance (or cash/cash-equivalent bond) on an occurrence basis, with minimum limits and other terms as established by the Minister.
- iv. Natural resources damage insurance (or cash/cash-equivalent bond) on an occurrence basis, with minimum limits and other terms as established by the Minister.
- v. If possible, insurance policies must provide that the Republic is named as an additional insured party. Where the Republic cannot be named as an additional insured party, the Minister has discretion to approve another satisfactory arrangement.
- vi. The Republic must be notified, in writing, at least 30 days in advance of the effective date of any cancellation or non-renewal of an insurance policy.
- vii. The renewal of expiring Certificates of Insurance must be filed with the Ministry before an insurance policy expires.
- viii. Vessel owners and vessel operators shall promptly provide proof of insurance of the fishing vessel when applying for a fishing permit. Failure to do so may result in revocation of a permit, vessel days, or other penalties as determined by the Minister.

7.5 Documentation.

All applicant parties or permitted parties must provide copies of all original documents needed to comply with these Regulations and the laws of the Republic. If the document is not originally in English language, the applicant and permitted parties must also provide a certified translation in English of the document in its entirety.

Section 8: Reporting and iFIMS Monitoring of Fishing Activities

8.1 Reporting: General Provisions.

- A. Fishing vessels shall complete and maintain written daily fishing logs to be recorded in the English language in electronic or hard copy format as directed by the Ministry and shall certify that such information is complete and accurate.
 - i. Such logs shall be completed on a monthly basis as directed by the Ministry and produced upon demand by any authorized personnel; and
 - ii. Such logs shall include information on the fishing activities of the fishing vessel including, but not limited to, information relating to date, position, catch, including total landings, discards and bycatch, and entry to and exit from Palau's waters.
- B. Authorized personnel from the Bureau may stop an operation in order to address and reconcile any discrepancies between any log entries and the landed catch.

8.2 iFIMS Reporting and Requirements.

- A. The Bureau may provide training for fishing vessel captain and crew on how to register on Integrated Fisheries Information System (iFIMS) in order to do electronic reporting using the PNA Fisheries Integrated Information System (FIMS).
- B. The Bureau shall adopt and approve standards for electronic reporting equipment and its operation aboard fishing vessels consistent with PNA requirements.
- C. The Bureau must provide these standards to permitted parties through service on their agent.

8.3 Costs.

- A. Fishing vessels are responsible for the cost of any acquisition, installation, and operation of electronic reporting equipment. All data collected within Palau's waters from electronic reporting equipment or logs prepared by vessel operator or crew, observers, shall be the property of the Republic.
- B. All purse seine and longline fishing vessels are required to register on the PNA Integrated Fisheries Information Management System (iFIMS) for electronic reporting.

Section 9: Observers, Port Sampling, and Electronic Monitoring

9.1 Observer and Electronic Monitoring System Coverage.

- A. All provisions related to observers and electronic monitoring, including types of electronic monitoring systems, shall be implemented in accordance with such rules and procedures adopted by the WCPFC, PNA, and any other existing international agreement to which the Republic is a party.
 - i. In carrying out any applicable requirements related to observer coverage on longline vessels, vessel operators shall ensure that the agreed level of observer coverage is met through the placement of observers on each vessel for the required percentage of total trips by each vessel in Palau's waters.
- B. By January 1st, 2025, every fishing vessel, except pole and line fishing vessels, shall have either an observer or an approved electronic monitoring system for 100% of vessel days used in Palau's waters.

9.2 Observers.

- A. Only observers from the WCPFC approved Regional Observer Program or FFA trained and approved observers, duly authorized by the Government, shall be placed on board vessels permitted to fish in Palau's waters. In the case of FFA trained and approved observers, placement on board is at a cost to the fishing company of an observer fee of seventy-five dollars (\$75.00) per observer, per day.
- B. Fishing vessels shall be responsible for the cost of observers.
- C. All logs and reports prepared by observers shall be provided to the Republic.

- D. If a fishing vessel has been exempted from the requirement that it land its catch at an official port within the Republic, the fishing company shall be responsible for the cost of transferring FFA trained and approved observers to and from a designated port in the vessel's country of departure and return.

9.3 Provision of Assistance of Observers.

- A. Vessel owners and vessel operators shall, in accordance with the WCPFC Conservation Management Measure for the Regional Observer Program, take all actions necessary for an observer to:
- i. board the vessel for scientific, compliance, monitoring and other functions;
 - ii. embark and disembark at an agreed place and time;
 - iii. have full access to and the use of all facilities and equipment on board the fishing vessel, which an observer may determine is necessary to carry out his duties;
 - iv. have full access to fish on board the fishing vessel and areas which may be used to hold, process, weigh or store fish;
 - v. have full access to remove samples of the fish caught;
 - vi. have full access to the fishing vessel's records, including its logbooks and other documentation for the purpose of inspection or copying;
 - vii. have reasonable access to the bridge, navigation equipment, charts and radios;
 - viii. gather any other information relating to fisheries in the contiguous zone, territorial sea, and Palau's waters, without unduly interfering with the lawful operation of the fishing vessels;
 - ix. provided that the owner, operator, master, or crew of the permitted vessel departing the Republic provides the Bureau with at least two working days' notice of its estimated time of departure, the observer will board the vessel at least thirty (30) minutes prior to the vessel's estimated time of departure. If the observer does not present himself by the estimated time of departure, the vessel may depart as scheduled; and
 - x. Carry out all duties safely.

9.4 Interference of Exercise of Duty of Observers Prohibited.

The permitted parties or crew members of a fishing vessel shall not assault, obstruct, resist, delay, refuse boarding to, intimidate or interfere with an observer in the performance of their duties or violate any other relevant provision of Title 27 of the PNC, as amended.

9.5 Accommodation of Observers.

- A. Permitted parties shall, at the permitted parties' expense, provide the observer on a fishing vessel with food, accommodation, and medical facilities that are the standard equivalent to those provided for officers of the fishing vessel.

- B. Permitted parties shall provide any observer on a fishing vessel with insurance coverage and salary for the duration of the trip, and all other costs associated with observers performing their duties.

9.6 Observer Safety Requirements.

- A. The operator shall be responsible for the health and safety of the observer while they are on board the vessel throughout the duration of the trip.
- B. The operator shall immediately rectify any conditions that may cause serious health and safety issues to the observer, not limited to availability of basic safety equipment and general sanitation, on board the vessel.
- C. The operator shall immediately cease fishing, report to the observer service provider and facilitate the replacement and transfer of the observer under the following circumstances:
 - i. where the observer is incapacitated from performing their duties due to sickness or injuries that require immediate medical attention;
 - ii. where the health, including mental health, or the safety of the observer is at risk;
 - iii. where the observer has been assaulted, harassed or intimidated; or
 - iv. where the operator has been directed to do so by the observer service provider or the licensing authority for reasons of the safety and wellbeing of the observer.
- E. Where the observer is missing or presumed fallen overboard, the operator shall:
 - i. immediately cease all fishing activities, activate search and rescue protocols, and then immediately conduct a search for at least 72 hours or as otherwise directed by authorities;
 - ii. report the incident immediately to the observer service provider, including the vessel's position where the incident happened;
 - iii. alert other vessels in the vicinity by using all available means of communication;
 - iv. whether or not the search is successful, return the vessel to the nearest designated port for further investigation; and
 - v. provide a full report to the observer service provider and appropriate authorities on the incident and fully cooperate with the investigation.
- F. The operator shall be responsible for:
 - i. the cost of all necessary safety equipment used by the observer;
 - ii. full repatriation and medical cost as applicable where the observer is returned to port for medical reasons;
 - iii. in the event of the death of the observer, to ensure that the body is well preserved for the purposes of an autopsy and investigation;
 - iv. in the case of injury or death of the observer caused from the omission or negligence of the operator or the crew, to pay for the autopsy, funeral expenses, and adequate costs for medical, repatriation and other related expenses; and

- v. in the case of observers boarding and disembarking in a port outside of the Republic, the cost and arrangement of transportation between the observer's base/home and the agreed port.
- G. The vessel operator shall assist the observer service provider to replace or disembark the observer at the nearest port where any member of the observer's immediate family, including a spouse, child, or parent, is seriously ill or has died.

9.7 Port Sampling.

- A. The Director may appoint, in writing, any authorized observer to serve as a port sampler. Port samplers shall perform the duties of authorized observers at a point of transshipment or port either inside or outside the Republic.
- B. Port samplers must conduct port sampling activities onboard all fishing vessels entering the port for landing and offloading of catch.
- C. In relation to those fishing vessels exempted under section 6.18, the Bureau in consultation with the permitted parties shall enter into a memorandum of understanding for the undertaking of fish sampling by a port sampler or other authorized personnel in a foreign port.
- D. The operator of a fishing vessel shall pay for the fees and allowances payable for port sampling related activities as prescribed by the Bureau.
- E. For fresh offloading and frozen offloading, there must be at least two (2) port samplers per vessel to carry out the port sampling activity.

9.8 Electronic Monitoring (EM) Systems: Requirements and Standards.

- A. The permitted parties of a longline fishing vessel shall at all times while the vessel is in Palau's waters:
 - i. install at its own expense an EM system that has been approved by the Director;
 - ii. ensure the approved EM system is installed, serviced, and maintained by authorized service technicians at designated ports, including Koror, Republic of Palau, and any other designated domestic or foreign port;
 - iii. ensure that the vessel is available for an authorized EM technician to inspect and service the system during and after each offloading, and as may be specified by the Director;
 - iv. ensure the approved EM system is operational before leaving port and at all times during the period of the permit;
 - v. be responsible for all out of warranty maintenance, repairs and replacements;
 - vi. avoid tampering with the EM system; and
 - vii. upon request, take reasonable steps to return to the Bureau any EM system provided by the Republic.

- B. In the event that the EM equipment is not capable of recording, transmitting and storing information, the operator shall immediately notify the Bureau, and return to the closest designated port approved by the Bureau at the earliest possible time to repair the EM equipment, except with the permission of the Bureau.
- C. The permitted parties of a fishing vessel shall not resume fishing until the EM equipment is fully operational.
- D. The operator of a permitted fishing vessel must facilitate the retrieval of EM data stored on the fishing vessel's EM system as specified by the Bureau.
- E. Any records, returns, data and information required to be kept electronically in accordance with Title 27 and these Regulations shall be kept in such manner and form that the data drive can be readily retrieved and made available for examination.

Section 10: Vessel Monitoring and Identification

10.1 Compliance with PNA, FFA, WCPFC Standards and Guidelines.

Fishing vessels shall be marked and identified in accordance with the requirements and terms and conditions established by FFA, WCPFC, and PNA.

10.2 ALC or MTU Requirement.

- A. Fishing vessels shall operate an ALC or MTU, as required by Title 27 of the PNC and the vessel monitoring system Regulations.
- B. If a fishing vessel becomes unable to transmit by ALC or MTU for any reason while in Palau's waters, the vessel operator shall, as soon as practicable, submit a transmission failure report, in the form established by the Minister. The first transmission failure report shall account for the period from the time from the prior transmittal to the time of submission of the report. Subsequent transmission failure reports shall be submitted at intervals of four (4) hours for 72 hours only. Unless an alternative arrangement is approved by the Minister, following the 72 hours the operator shall immediately stow the vessel's fishing gears and leave the EEZ of the Republic or take the vessel directly to the nearest designated port, or such other port as the Bureau directs, and immediately fix the vessel's ALC or MTU.
- C. If the Bureau or authorized personnel do not receive either an ALC or MTU transmission or a transmission failure report from a fishing vessel there will be a rebuttable presumption that the permitted parties or the fishing vessel crew have deliberately tampered with the ALC or MTU.
- D. ALCs must be approved by the FFA and placed on a fishing vessel to transmit, either in conjunction with other device(s) or independently, information or data concerning the position, fishing and other activities of the vessel as may be required.
- E. The operator shall not interfere with, temper with, alter, damage, or disable the ALC or MTU, impede the operation of the ALC or MTU, or move or remove the ALC/MTU from the installed position without providing prior notification to the appropriate authority.

10.3 VMS Polling Rates.

Fishing vessels shall maintain a fully operational VMS system on board with a minimum polling of one hour intervals for purse seine vessels and four hourly intervals for longline vessels, at all times while the fishing vessel is in Palau's waters.

10.4 Non-Compliance.

If any fishing vessel is unable to comply with the requirements under this section, the vessel operator must immediately stow the fishing vessel's fishing gear, take the fishing vessel directly to the nearest designated port, or such other port as the Bureau directs, and immediately report to the Bureau of its actions.

10.5 VMS Data Access.

Fishing vessels shall provide authorized government officials with full access to all VMS data on fishing vessels operating under the VDS at all times within Palau's waters regardless of the location of such fishing vessels.

10.6 Standards for Vessel Tracking.

- A. The Bureau shall adopt and approve standards for vessel tracking equipment and its operation aboard fishing vessels consistent with PNA and WCPFC requirements.
- B. The cost of any acquisition, installation, and operation of vessel tracking equipment shall be met by the fishing vessel.
- C. All data collected from vessel tracking equipment within Palau's waters shall be provided to the Republic.

Section 11: Inspection of Vessels

11.1 Pre-fishing Inspection and Notification Required before Departure.

- A. At least twenty-four (24) hours prior to departure from any port to fish in Palau's waters, the fishing vessel and/or permitted parties shall notify the Bureau and DMLE of the fishing vessel's name and its planned departure date and time.
- B. To ensure proper receipt of such notice by the Bureau, notice shall be provided to the Bureau and DMLE during working week days and not on weekends or Republic holidays.
- C. A pre-fishing inspection shall be carried out by the Republic or its authorized nominee on every fishing vessel prior to its departure from any port to fish in Palau's waters. The purpose of such an inspection shall be:
 - i. verifying the catch, if any, on board the vessel; and
 - ii. ensuring that the vessel complies with accepted international pre-fishing practices as described below:

- a. all fishing and support vessels must provide a port entry notice (including their authorization to fish, details of their fishing trip, and quantities of fish on board, with due regard to confidentiality requirements in accordance with national laws) to the port authority and the Bureau at least 24 hours before entering port;
- b. no fishing vessel or support vessel may enter port to carry out any functions without prior clearance from the port authority and the Bureau; and
- c. where required, any fishing vessel that enters the ports of the Republic will be subjected to a full inspection of the vessel, documents, fishing gear, catch and fish in storage prior to it being permitted to conduct any activities in the ports, to ensure that:
 1. all fishing within national jurisdiction is within the terms and conditions of an approved permit and/or agreements; and
 2. the full investigation of all relevant documents, fishing gear, catch, and fish in stowage demonstrate compliance with national and international fisheries legislation and agreements, and meet the port State's international fisheries obligations.

11.2 Responsibility of Permitted Parties to Ensure Inspection of Vessel.

The permitted parties shall ensure that the officers and crew of a fishing vessel will allow all properly identified employees of the Bureau, DMLE, the Maritime Safety Branch, and any other officer authorized by the Office of the Attorney General of the Republic, to board, search, and inspect the fishing vessel and its catch at any time, in the waters of the Republic and in accordance with Titles 7 and 27 of the PNC, as amended, and the relevant laws of the Republic.

11.3 Compliance with Authorized and Official Requests.

The permitted parties shall ensure each fishing vessel's crew members immediately comply with every instruction given by an authorized and identified agent of the Republic including instructions to stop, move to a specified location, or facilitate safe boarding and inspection of the fishing vessel, its permit, gear, equipment, records, facilities, fish, and fish products.

Section 12: Environmental Damage

12.1 Requirement to Report Environmental Damage.

Permitted parties shall immediately report to the DMLE the occurrence of any accident or incident including, but not limited to, collisions, groundings, major fires, capping, sinking, oil spills, and any pollution.

12.2 Vessel Owner and Vessel Operator Responsible for Environmental Damage.

A. Permitted parties shall, at their own cost:

- i. take all necessary action to abate, control, and clean up any accident, incident, or in an expeditious and professional manner to the satisfaction of the appropriate Republic government agencies regulating the particular resource subject to the states' ownership rights under the Constitution of the Republic and any other relevant laws; and
- ii. any grounded fishing vessel must be promptly removed in a manner that is permitted by the national government of the Republic and minimizes impact on the environment.

12.3 Liability.

Permitted parties shall be liable for any liabilities, damage, and claims for recovery, including costs and expenses arising out of loss of or damage to public property or the environment caused by any fishing vessel, vessel owner, vessel operator, or crew thereof.

12.4 Dumping of Waste Prohibited.

- A. Permitted parties shall ensure that no waste or waste products of any kind are dumped or otherwise disposed of in the waters of the Republic. This includes:
 - i. deliberately disposing of non-biodegradable waste at sea, including metals, plastics, and parts of fishing gear; and
 - ii. dumping or abandoning fishing gear.
- B. Any dumping or disposal of waste or waste products within the Republic waters must be reported to the Bureau.

Section 13: Enforcement and Penalties

13.1 Authorization and Identification of Government Officials.

- A. Authorized law enforcement authorities of the Republic are to enforce these Regulations and other applicable laws. The applicable governmental agency of the Republic will have the ability to enforce the terms of these Regulations.
- B. An authorized officer or authorized observer, when exercising their powers, duties, and responsibilities, including pursuant to an international fishing agreement, must on request produce identification to show that he or she is an authorized officer or authorized observer.

13.2 Identification of Authorized Vessels and Aircraft.

- A. A vessel or aircraft which is flagged to the Republic, and which is engaged in cooperative activities under an international fishing agreement, must be clearly marked and identifiable as being on government service.
- B. Subject to subsection (A), if the vessel or aircraft is engaged in cooperative activities authorized under the Niue Treaty Subsidiary Agreement, it must also clearly display the Regional Fisheries Surveillance and Law Enforcement Flag as set out in Annex D of the Niue

Treaty Subsidiary Agreement as well as the Republic's national flag, when operating outside Palau's waters.

13.3 Penalties.

Any person that contravenes any of the provision(s) of these Regulations commits an offence and is liable upon conviction to a fine prescribed under Title 27.

13.4 Notice of Action taken by the Republic.

Upon seizure of fishing vessels, arrests, or crew arrest, by authorized law enforcement authorities, the permitted parties shall be notified as soon as practicable by service or notice to the agent. DMLE will release the fishing vessel in accordance with the provisions of Titles 7 and 27 of the PNC, as amended, including the bonding provisions of the same Titles. Bond amount shall not be released without a court order or consent by the Attorney General's Office, pending resolution of any outstanding matters relating to the subject fishing vessel.

Section 14: Responsibility of Vessel Owner and Vessel Operator to Ensure Compliance with Customs and Tax Laws

14.1 Taxes and Customs.

Vessel owners and vessel operators shall ensure that the crew and any individual on board any fishing vessel, fully and accurately complete all required Republic tax and customs forms and reports.

14.2 Ban on Commercial Merchandise.

Fishing vessels may not be used to transport commercial merchandise into or out of the Republic. Any violation of this provision will result in the immediate forfeiture of such merchandise to the Republic in addition to any fine or other penalty imposed by law.

Section 15: Use and Disclosure of Information

- A. A person carrying out duties or responsibilities of, or on behalf of, the Bureau must not disclose information or documents of a confidential nature acquired in the course of his or her authority, duties or responsibilities, unless authorized.
- B. The Director may designate any information as confidential, and in doing so may also exempt general summaries of aggregated information from confidentiality requirements.
- C. The Director may authorize in writing any person to:
 - i. receive access to confidential information; or

- ii. grant access or restrict access to premises or computer systems holding confidential information as he or she may designate.
- D. Notwithstanding subsection (B) of this section, the following information shall be confidential:
 - i. any information or data of a commercial nature provided in records, returns, or other documents required under the Palau National Code;
 - ii. any information or other data supplied by a vessel monitoring system in accordance with the Palau National Code; or
 - iii. any information or other data received or disclosed using the Niue Treaty Information System or other prescribed computer system.
- E. Subject to the provisions of subsection (D) of this section, information may be disclosed to the extent:
 - i. that the disclosure is authorized or required in the Palau National Code or any other law;
 - ii. that the person providing the information authorized its disclosure;
 - iii. that the disclosure is necessary to enable the Director to publish statistical information relating to the fisheries sector; or
 - iv. that the disclosure is necessary to enable advice to be given to the President of the Republic.
- F. The Director may authorize the release of any information:
 - i. supplied by a vessel monitoring system relating to the position of any vessel, upon request, to the responsible authority for purposes including surveillance, search and rescue, and other emergency;
 - ii. to enforce the law or to protect national security or the public interest; or
 - iii. for such purposes as may be prescribed by law or regulation.
- G. Any person who violates the requirements of this section may have his or her appointment, employment or other authority reviewed and terminated by the appropriate authority.

Section 16: Protection against Liability

An authorized officer, including an authorized officer acting pursuant to an international fishing agreement, shall not be liable in any proceedings for damage or injury caused by the exercise of her or her powers, duties, or responsibilities in good faith.

Section 17: Powers beyond Fisheries Waters

- A. Where, following the commission of an offence by any person or vessel, the person or vessel is pursued to a place at sea beyond the limits of Palau's waters, including in circumstances and to the extent recognized by international law, any power conferred on an authorized officer

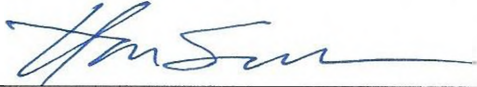
under the Palau National Code shall be exercisable at such a place beyond the limits of Palau's waters provided that the pursuit was not terminated or interrupted at any time before an authorized officer arrives at such a place with a view to exercising that power.

- i. For the purpose of subsection (A), a pursuit of a person or vessel is not taken to be terminated or interrupted only because the authorized officer or officers concerned lose sight of the person or vessel.
- ii. A reference in subsection (A)(i) to losing sight of a person or vessel includes a reference to output from a radar or other sensing device.

Section 18: Minister's Authority

- A. These Regulations may be amended in any respect by the Ministry pursuant to law. In addition, the Minister may waive any non-essential procedural requirements of these Regulations, in individual cases when circumstances warrant; provided that such a waiver is done in writing, an official record is kept of such waiver, and proper notification is provided to the affected parties.
- B. To support the implementation of the PNMS Act, the Minister may decide to develop a Fisheries Management Plan. If one is created, the Minister will determine whether it will provide informal guidance to the Ministry or be a legally enforceable document.

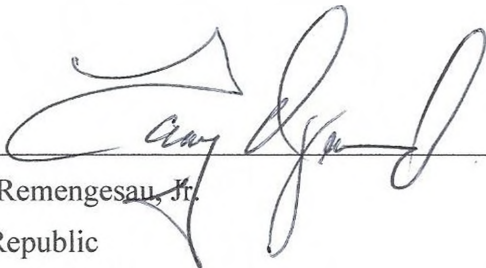
Having complied with the requirements of Chapter 1 of Title 6 of the Administrative Procedure Act, it is hereby certified that the *Palau National Marine Sanctuary Regulations* have been adopted by the Ministry of Natural Resources, Environment, and Tourism on this 18th day of December, 2019.



F. Umiich Sengebau
Minister of Natural Resources, Environment, and Tourism

In satisfaction of the requirement found in 6 PNC § 127, the President's signature below certifies that these regulations have been officially approved.

Approved on this 19th day of December, 2019.



Tommy E. Remengesau, Jr.
President, Republic