

**CODE OF BUSINESS PRACTICE FOR  
MARITIME ACCOUNTING AUTHORITIES**

*Edition 1*

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**INTRODUCTION**

1 Ships at sea are served by a complex worldwide network of international maritime mobile telecommunication services, provided by a variety of commercial and governmental organisations. Inevitably, accounting and payment for calls within such a complex network is itself complicated and susceptible to error, fraud and bad debt. Regulation is therefore essential, to ensure the efficient operation of the services and the prompt settlement of charges.

2 International regulation of the maritime mobile services is governed by the Radio Regulations, and the principles and procedures for charging, billing, international accounting and settlement are set out in ITU-T Recommendation D.90. This Recommendation effectively sets minimum standards which cannot of course take account of all the commercial pressures and constraints to which non-governmental companies may be subject in an intensely competitive international market.

3 It is therefore necessary to supplement the framework of ITU-T Recommendation D.90 with a Code of Business Practice, in order to set and maintain higher standards of business conduct, and to discourage fraud and malpractice which damages reputable business and the service provided to the users at sea.

4 This Code has been prepared, in response to proposals submitted through ITU-T by the Russian Federation, by an open group of CIRM members and other Accounting Authorities and Service Providers, in consultation with other interested parties including ITU-T, International Chamber of Shipping and Inmarsat.

**General Description**

5 The Code of Business Practice for Maritime Accounting Authorities (hereinafter referred to as 'the Code') is a voluntary Code, administered and maintained on behalf of all parties by the Comité International Radio-Maritime (CIRM). Any entity meeting the eligibility criteria listed below may apply to become a Signatory to the Code. Signatories agree to be bound by the Code and other parties are strongly encouraged to adhere to its provisions.

**OBJECTIVES**

6 The objectives of the Code are:

- .1 To improve the service provided to ships and their owners and to strengthen their confidence in it.

- .2 To reduce financial risk by improving cash-flow through the system, particularly:
  - .1 Timescales for billing and payments.
  - .2 Security of payment.
  - .3 To combat fraud and to reduce bad debt.

## SCOPE

7 The Scope of the Code includes minimum standards for service, billing and settlement of accounts for all Maritime Public Correspondence Terrestrial and Satellite Telecommunication Services. It provides for commercial as well as technical and operational requirements and is applicable to Accounting Authorities (A.A.s) as defined in ITU-T Recommendation D.90.

## Relationship to Other Regulations and Codes

8 **ITU.** The International Telecommunication Union (ITU) is regarded as the ultimate authority in this area. The Code is intended to supplement and, where necessary, to strengthen the minimum standards set out in the D.90 series of ITU-T Recommendations. Nothing in the Code is intended to conflict with ITU Regulations or Recommendations.

9 **Inmarsat.** The Inmarsat Code of Business Practice is recognised as the definitive authority relevant to the Inmarsat Systems network. The Code is intended to be in harmony with the Inmarsat Code as far as possible, and not to conflict with it.

## DEFINITIONS

10 Definitions used in the Code, which are based as far as possible on ITU-T Recommendation D.90 and other relevant existing sources, are as follows:

- .1 **An Accounting Authority** acts as a billing intermediary between the maritime mobile station and service providers in accordance with national ship licensing requirements. It is registered by an administration to act on behalf of maritime mobile stations for the purpose of receiving and settling bills for maritime mobile services.
- .2 **Maritime Mobile Service.** The term is used in this Code to cover the Maritime Mobile Satellite Service as well as the MF, HF and VHF radio media, unless specifically stated otherwise.
- .3 **Service Provider.** The Administration or Recognised Operating Agency (ROA) which provides the communication service to/from maritime mobile stations.
- .4 **Maritime Mobile Station** - This term is used to include a maritime mobile satellite station, and in the context of billing refers to the

Licensee, equating to the use of the term customer in the terrestrial service. It equates to Ship Station used in the Radio Regulations.

- .5 **Maritime Bill** - The bill issued by the Service Provider in respect of collection charges for maritime mobile traffic originated by a maritime mobile station.

## **ELIGIBILITY**

11 Minimum criteria for eligibility of Signatories are as follows:

- .1 The **Signatory** must be an Accounting Authority (A.A.) providing full accounting facilities for all maritime services, both satellite and terrestrial, to the maritime community.
- .2 It must provide services both for individuals and for corporate entities, not restricted to a single customer.
- .3 Resources must be commensurate with the service offered, with adequate reserves to meet the financial obligations set out in the Code.
- .4 The Signatory must be organisationally and technically capable of operating internationally and of fulfilling its obligations in accordance with the Code.
- .5 The Signatory must be approved by its national administration in accordance with ITU-T Recommendation D.90.

## **ROLES AND RESPONSIBILITIES**

### **Accounting Authority**

12 The A.A. acts as a billing intermediary to reduce the number of bills issued/received between the maritime mobile station and service providers as defined in ITU-T Recommendation D.90 Annex A. The role of an A.A. is set out in Section A.1. For the purposes of this Code, additionally:

- .1 An A.A. must provide its customers with a clear statement of the basis on which its charges will be levied for the service provided, before the service is initiated
- .2 The A.A. is responsible for obtaining applicable tariff information from the Service Provider and making this information available to its customer.
- .3 Contracts between A.A.s and their customers should not contain punitive or restrictive conditions that would limit the customer's freedom of choice.

## **Service Providers**

13 The Code is aimed primarily at the A.A. However, the A.A. will be unable to fulfil its obligations in some areas, unless supported by an equivalent standard of conduct on the part of the Service Provider, i.e.: as a minimum, strict compliance with ITU-T Recommendation D.90 and, where applicable, the Inmarsat Code.

14 To enable A.A.s to fulfil their responsibilities, Service Providers will be expected, wherever possible, to submit their invoices and statements by electronic means, based upon ITU-T Recommendation D.91.

15 Service Providers should be encouraged to support the role of the reputable A.A. (i.e.: Signatories to the Code), in providing a full billing intermediary service.

## **RELATIONSHIPS BETWEEN A.A.s**

16 Signatories support the principle that competition is beneficial to the customer. They agree not to undertake practices that restrict healthy competition.

17 A.A.s agree to exchange information of common concern (for example: bad debt, fraud etc.).

18 When a customer changes from one A.A. to another, the previous A.A. must make available to the new A.A. any information concerning outstanding debt, and the new A.A. must make every effort to assist the previous A.A. to recover any debt outstanding.

19 In case of dispute between Signatories to the Code, both parties must agree to submit to independent arbitration if so requested by a third party (e.g. customer or service provider)

20 Disputes concerning the Code and status of Signatories shall be settled by a general meeting of the Signatories.

## **BILLING**

21 Signatories undertake to bill their customers in a timely and efficient manner.

22 Bills must be clear and legible and must not be hand-written.

23 The use of electronic media for transmission of bills is encouraged.

## **PAYMENT**

24 Payment must be made as soon as possible. Compliance with the times set out in Article 4.6 of ITU-T Recommendation D.90 is to be regarded as an absolute minimum standard.

25 A.A.s accept payments from their customers in full acknowledgement that it is their duty to settle the charges on the Service Provider's account to which they relate.

26 The contracted A.A. for the period of service must accept responsibility for the settlement of charges billed through that A.A. but need not do so for charges billed direct from a Service Provider to a customer.

27 Payments must be accompanied by clear advice as to which bill the payment refers. In the case of bank transfers, separate advice must be provided.

28 Attention is drawn to minimum standards for rejection set out in Article 4.5 of ITU-T Recommendation D.90

## **INFORMATION**

### **Central Database**

29 A central database will be maintained in support of the Code, containing:

- .1 A List of Signatories and points-of-contact.
- .2 Information concerning bad debt/fraud.

30 Options will be studied for inclusion in the database of data on ships contracted to the Signatories.

### **Exchange of Information**

31 A.A.s must provide timely and relevant information concerning stations for which they are responsible in accordance with ITU-T Recommendation D.90 (Articles A.1.2.3, A.1.2.4, A.1.3 and A.1.4). Wherever possible such information should be exchanged by electronic media, based upon ITU-T Recommendation D.91.

32 A.A.s must nominate a point-of-contact to which queries concerning their ships may be addressed.

33 A.A.s must advise all parties concerned in cases of suspected fraud.

## **ESTABLISHING NEW BUSINESS**

34 Before entering a contract with a new customer, A.A.s shall perform a credit check to establish the financial probity of the company.

## **FRAUD**

35 In the context of this Code, fraud is regarded as cloning, misuse of the unique identity code or any other deliberate attempt to avoid legitimate charges.

36 When a case of suspected fraud is detected, the A.A. should immediately inform:

- .1 The Service Providers concerned.
- .2 The Management Committee.

37 The Management Committee will inform all Signatories, Inmarsat if applicable and, if appropriate, will coordinate further action.

## **BAD DEBTS AND LATE PAYMENT**

38 In cases of Bad Debt or habitual late payment, the A.A. should inform:

- .1 The Service Providers concerned.
- .2 The Management Committee.

39 The offender should normally be given prior warning in writing of such action to provide a final opportunity for corrective action.

40 A.A.s may reserve the right to refuse service to habitual offenders.

## **COUNTERMEASURES**

41 Measures to combat fraud, bad debt and late payment will be coordinated between Signatories by the Management Committee. Signatories are encouraged to exchange information on such incidents so that trends can be established and appropriate countermeasures developed and applied.

## **MANAGEMENT**

### **General Meeting**

42 A General Meeting of Signatories shall be held annually, to discuss major issues concerning the Code and its management, and to approve major changes.  
Management Committee

43 A Management Committee, appointed by the Signatories and chaired by the Secretary-General of CIRM, shall be responsible for:

- .1 Supervising the administration and maintenance of the Code.
- .2 Approving minor, non-controversial changes to the Code.
- .3 Supervising the maintenance of the database.
- .4 Taking action on reported breaches of the Code, as set out in paragraphs 51 - 52.
- .5 Approving the admission of new Signatories to the Code, subject to ratification at the next General Meeting.

## **ADMINISTRATION**

44 The Code shall be administered and maintained by CIRM on behalf of the Signatories.

## **FINANCES AND RESOURCES**

45 The Code will be operated on a non-profitmaking basis. The finances and resources necessary for the efficient maintenance of the Code shall be provided by CIRM and managed by the Secretary-General. The costs of this service shall be recovered by fees charged to Signatories in accordance with paragraph 48.

## **SIGNATORY MEMBERSHIP**

### **Application**

46 Any A.A. complying with the minimum criteria set out in paragraph 11 may apply to become a Signatory, by written application to the Management Committee through the Secretary-General. It is not necessary for Signatories to be members of CIRM.

47 Applications will be reviewed by the Management Committee who shall satisfy themselves that the minimum criteria will be met and the appropriate fees paid. Eligible and reputable applicants in good standing will not normally be refused, but the Signatories reserve the right to refuse membership to applicants whom they believe will not adhere to the Code.

### **Fees**

48 Registration and annual fees will be charged to Signatories at a rate to be determined by the Management Committee. These will be kept to the minimum necessary to ensure effective administration of the Code.

### **List of Signatories**

49 A List of Signatories to the Code will be maintained by the Management Committee and circulated regularly to Signatories and to Administrations responsible for authorising Accounting Authorities. ITU will be requested to publish this list in the ITU Operational Bulletin, and to indicate Signatories to the Code in the ITU List of Ship Stations.

### **Suspension**

50 The membership of a Signatory may be suspended at any time by the Management Committee for a breach of the Code, in accordance with the procedures set out in Paragraphs 52 - 53. Signatories whose membership is suspended have the right of appeal to a General Meeting of the Signatories, whose decision is final. When suspension is confirmed by the General Meeting, the entity will be removed from the

list of Signatories and will not be eligible to rejoin until it is able to satisfy the general meeting of its ability and intention to comply in future.

## **CHANGES TO THE CODE**

51 Proposed changes to the Code shall be submitted in writing to the Secretary-General, who will circulate them to all Signatories and to consultative organisations concerned, for comment. Minor non-controversial changes may be approved by the Management Committee. Major changes, or those of a controversial nature shall be referred for decision to a General Meeting of Signatories.

## **BREACHES OF THE CODE**

52 Signatories who do not comply with the Code may be suspended or removed from the list of Signatories, as described in paragraph 50.

53 Breaches of the Code should be reported to the Management Committee, who will inform, as appropriate:

- .1 All Signatories
- .2 Inmarsat
- .3 The National Administration or Regulatory Body concerned.

## **FURTHER INFORMATION**

54 Enquiries concerning this Code should be addressed to:  
The Secretary-General  
CIRM  
Southbank House  
Black Prince Road  
LONDON SE1 7SJ  
Telephone: +44 207 587 1245  
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