



**MARITIME AND PORT AUTHORITY OF SINGAPORE
SHIPPING CIRCULAR TO SHIPOWNERS
NO. 22 OF 2016**

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Applicable to: This circular should be brought to the attention of all Singapore shipowners, ship-managers, operators, agents, masters, crew members and insurers

MARITIME LABOUR CONVENTION, 2006 – NEW COMPULSORY FINANCIAL SECURITY REQUIREMENTS RELATING TO REPATRIATION OF ABANDONED SEAFARERS AND WORK INJURY COMPENSATION

Introduction

1. This circular provides information on the International Labour Organization's (ILO) amendments of 2014 to the Maritime Labour Convention, 2006 (MLC). These amendments will enter into force on 18 January 2017 and will apply to all ships as described in Section 3 of the Merchant Shipping (Maritime Labour Convention) Act 2014 (No. 6 of 2014) ("MLC ships").

Amendments of 2014 to the MLC

2. The amendments to Regulation 2.5 (Repatriation) of the MLC require shipowners to repatriate their seafarers in the event of abandonment, which is defined as:

- a. When the shipowner fails to cover the cost of the seafarer's repatriation; or
- b. When the shipowner has left the seafarer without the necessary maintenance and support; or
- c. When the shipowner has otherwise unilaterally severed its ties with the seafarer, including failure to pay contractual wages for a period of at least two months.

3. Shipowners will have to obtain financial security to ensure that they will be able to meet their repatriation obligations. In particular, the financial security must be adequate to cover the following:

- a. Up to four months of outstanding wages and other outstanding entitlements due from the shipowner to the abandoned seafarer under their employment agreement, the relevant collective bargaining agreement or Singapore law;
 - b. All expenses reasonably incurred by the abandoned seafarer, including the costs of repatriation; and
 - c. The essential needs of the abandoned seafarer, including items such as adequate food, clothing, accommodation, drinking water supplies, essential fuel for survival on board the ship, necessary medical care and any other reasonable costs or charges from the act or omission constituting the abandonment until the seafarer's arrival at his repatriation destination.
4. The amendments to Regulation 4.2 (Shipowners' liability) of the MLC introduce new mandatory requirements to ensure that seafarers who suffer death or long-term disability due to an occupational injury, illness or hazard are compensated fairly and expeditiously. The requirements are as follows:
- a. The contractual compensation owed to the seafarer is to be paid out in full and without delay;
 - b. The seafarer or his representative must not be pressured to accept a payment less than the contractual amount;
 - c. Where the nature of the long-term disability of the seafarer makes it difficult to assess the full contractual compensation payable to him, the financial security provider must make an interim payment or payments to the seafarer;
 - d. Any contractual compensation received by the seafarer may be offset by the shipowner against any damages resulting from any other claim made by the seafarer against the shipowner and arising from the same incident;
 - e. The seafarer's claim for contractual compensation may be brought directly by the seafarer, his next of kin, a representative or a designated beneficiary;
 - f. The financial security provider must give advance notification to the flag State if the financial security is to be cancelled or not renewed.

Certificate or other documentary evidence of financial security

5. Shipowners will be required to carry on board their ships, certificates of the contracts of insurance or other financial security from 18 January 2017, covering:
- a. The costs of crew repatriation in accordance with amended Standard 2.5 and;
 - b. Contractual claims arising from the death or long-term disability of seafarers due to an occupational injury, illness or hazard in accordance with amended Standard 4.2.
6. Shipowners are also required to display copies of such certificates in a conspicuous place on board their ships where it is available to the seafarers.

7. Shipowners may wish to review their existing financial security coverage to ensure that the above liabilities for repatriation and work injuries are insured according to the above requirements. The certificates of the contracts of insurance or other financial security must be issued by financial security providers that have been approved by the Maritime and Port Authority of Singapore (MPA). The list of approved financial security providers will be released at a later date.

8. Shipowners will also be required to provide copies of such certificates to MPA for MPA's records. Shipowners may wish to arrange for their financial security providers to send copies of such certificates directly to MPA. These certificates do not need to be endorsed by MPA.

Declaration of Maritime Labour Compliance and the Maritime Labour Certificate

9. Under the MLC, all MLC ships of 500 gross tonnage and above must obtain a Declaration of Maritime Labour Compliance (DMLC) and a Maritime Labour Certificate.

10. The DMLC consists of Parts I and II, both of which Parts will need to be revised to include the amendments of 2014. MPA will prepare and issue the revised DMLC Part I to shipowners no later than the due date of ships' first MLC renewal inspection after 18 January 2017. Shipowners will be required to update their DMLC Part II to indicate their compliance with the new DMLC Part I. This is to be done no later than the due date of the ship's first MLC renewal inspection after 18 January 2017.

11. The entry into force of the amendments on 18 January 2017 will not affect the continued validity of ships' existing Maritime Labour Certificates and DMLCs until the due date of the ship's first MLC renewal inspection after 18 January 2017.

12. The DMLC, Maritime Labour Certificate and certificates of the contracts of insurance or other financial security are inspectable items for port state control.

13. The full text of the amendments is available at the following link: http://www.ilo.org/ilc/ILCSessions/103/reports/WCMS_248905/lang--en/index.htm.

14. MPA is in the process of amending its regulations to implement the new financial security requirements and will issue a detailed shipping circular in due course.

15. Any queries regarding this circular should be directed to the Seafarers Management Department (Email mmo@mpa.gov.sg; Tel: +65 6375 6224).

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