
 <b>QUALITY MATTERS</b>	<b>SHIPS CLASSIFICATION MALAYSIA</b> <b>SCM CIRCULAR</b> <b>TO SHIPOWNERS, SHIPYARDS, MASTERS,</b> <b>AGENTS AND RELEVANT INTEREST PARTIES</b>		 <small>MS ISO 9001 REG. NO. AR2998</small>
	Issue No	10/2016	
<b>TITLE</b>	<b>NEW AMENDMENT OF MARITIME LABOUR CONVENTION (MLC)</b>		

**To All Shipowners and Ships Managers of Malaysian Vessels,**

1. This circular is referring to the Malaysian Shipping Notice by Marine Department of Malaysia, NPM 8/2016 as per Annex 1 which were issued on 29 August 2016.
2. The Amendments of 2014 perform to the implementation of Regulations 2.5 and 4.2 of the code and appendices to the Maritime Labour Convention 2006 as per attachment.
3. The ILO adopted amendments to the Maritime Labour Convention on 11 June 2014, which have the aim to improve the protection of seafarers against financial risks in possible hazardous situations. The amendments contain standards for financial protection of seafarers' entitlements when abandoned by the shipowner. In addition, the amendments of the Maritime Labour Convention provide minimum requirements for financial security for compensation claims for the death or disability of seafarers due to occupational accidents, diseases or hazards.
4. The amendments of the Maritime Labour Convention and the Maritime Labour Act will enter into force on **01 January 2017**.

**1.0 Financial security for cases of abandonment (MLC Regulation 2.5)**

- 1.1 The new amendment of the Maritime Labour Act regulates the obligation of the shipowner to ensure financial security for cases of abandonment. Crew members are particularly regarded as abandoned if the shipowner
  - a) does not pay the costs for repatriation,
  - b) does not satisfy the entitlement for medical care,
  - c) is in default with payment of wages for at least two months,
  - d) provides harmful accommodations,
  - e) provides insufficient supplies of food or drinking water
- 1.2 The shipowner has to maintain an insurance policy (e.g. P&I) or other financial security for cases of abandonment. The insurance policy or agreement for financial security must provide that
  - a) the crew members may assert their claims directly against the insurer or protection provider,
  - b) the insurance cover or protection provided by the other financial security does not cease before the end of the contract period unless the insurer or protection provider has given prior notification of at least 30 days to the Ship Safety Division, and
  - c) outstanding payments from the employment contract are incurred for at least four month.

- 1.3 Ships which are required to have a Maritime Labour Certificate must carry on board a certificate of the insurance or the other financial security from 01 January 2017. A copy of the certificate in English translation shall be posted in a conspicuous place on board and, if necessary, in a language suitable for the crew members. The certificate must have at least the following content:
- a) name of the ship,
  - b) port of registry of the ship,
  - c) call sign of the ship,
  - d) IMO number of the ship,
  - e) name and address of the insurer or protection provider,
  - f) contact details of the persons or entity responsible for handling seafarers' requests for relief,
  - g) name of the shipowner,
  - h) period of validity of the insurance or the other financial security, and
  - i) an attestation from the insurer or the financial security provider that the insurance or financial security meets the requirements of Standard A2.5.2 of the Maritime Labour Convention.

## **2.0 Obligation to provide compensation for occupational accidents and diseases (MLC Regulation 4.2)**

- 2.2 The provisions in the new amendments of the Maritime Labour Act require the shipowner to maintain an insurance or other financial security which compensate crew members or their survivors in case of disability or death of crew members due to occupational accidents or diseases.
- 2.2 A certificate of the insurance or the other financial security must be carried on board from 01 January 2017. A copy of the certificate in English translation shall be posted in a conspicuous place on board and, if necessary, in a language suitable for the crew members. The certificate must have at least the following content:
- a) name of the ship,
  - b) port of registry of the ship,
  - c) call sign of the ship,
  - d) IMO number of the ship,
  - e) name and address of the insurer or protection provider,
  - f) contact details of the persons or entity responsible for handling seafarers' requests for relief,
  - g) name of the shipowner,
  - h) period of validity of the insurance or the other financial security, and
  - i) an attestation from the insurer or the financial security provider that the insurance or financial security meets the requirements of Standard A4.2.1 of the Maritime Labour Convention.
- 2.3 The insurance policy or agreement for financial security must provide that
- a) the crew members may assert their claims directly against the insurer or protection provider,
  - b) the insurance cover or protection provided by the other financial security does not cease before the end of the contract period unless the insurer or protection provider has given prior notification of at least 30 days to the Ship Safety Division, and

c) interim payments are made to the seafarer, if necessary, to avoid undue hardship.

2.5 Foreign crew members with an assignment certificate A1 are not compulsorily insured in the statutory accident insurance. In these cases, the shipowner must provide by means of an additional insurance (e.g. P&I) that the crew members concerned or their survivors are adequately protected in accordance with the requirements of the amended Maritime Labour Convention. In this case, the certificate referred to in No. 2.2 must be issued by the insurer.

### **3.0 Modification of the Declaration of Maritime Labour Compliance (DMLC)**

3.1 The Declaration of Maritime Labour Compliance will be amended as follows:

- a. Financial security for repatriation (Regulation 2.5)
- b. Financial security relating to shipowners' liability (Regulation 4.2)

3.2 The existing DMLC Part I will be revised and issued by SCM. The modified form will be valid from 01 January 2017. In DMLC Part II, the shipowner has to identify the measures adopted to ensure ongoing compliance with the requirements mentioned in DMLC Part I. The modified DMLC Part II will be verified and approved by SCM.

3.3 Maritime Labour Certificates and Declarations of Maritime Labour Compliance issued prior 01 January 2017 remain valid until the next upcoming inspection after 01 January 2017.

For further information you may contact:

Ships Classification (Malaysia) Sdn. Bhd.  
Wisma SCM, No. 2 & 3, Block 2, Presint Alami, Persiaran Akuatik,  
Seksyen 13, 40675 Shah Alam, Selangor Darul Ehsan, Malaysia.

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## NOTIS PERKAPALAN MALAYSIA

### MALAYSIA SHIPPING NOTICE

NPM 8 /2016

#### JABATAN LAUT MALAYSIA

Ibu Pejabat Laut, Peti Surat 12, 42007 Pelabuhan Klang.

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Fax: 03-3168 5289, 3167 2882

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### PEMAKLUMAN BERKENAAN PINDAAN 2014 BAGI KONVENSYEN BURUH MARITIM 2006

#### *NOTIFICATION REGARDING AMENDMENTS OF 2014 TO THE MARITIME LABOUR CONVENTION 2006*

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#### **Pemakluman kepada pemilik kapal , syarikat perkapalan, Badan Klasifikasi dan Persatuan Pelaut**

*Notification to ship owners, shipping agencies, Recognition Organization and Seafarer Organization*

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Pindaan 2014 adalah melibatkan pindaan terhadap Peraturan 2.5 dan 4.2 serta lampiran dalam Konvensyen Buruh Maritim 2006 sepertimana di lampiran.

*The Amendments of 2014 perform to the implementation of Regulations 2.5 and 4.2 of the code and appendices to the Maritime Labour Convention 2006 as per attachment.*

2. Pindaan ini akan berkuatkuasa pada 1 Januari 2017

*2. The amendment will come into force on 1 January 2017*

Ketua Pengarah Laut/*Director General of Marine*

Tarikh/Date : 29 August 2016

# **International Labour Conference**

AMENDMENTS OF 2014  
TO THE MARITIME LABOUR CONVENTION, 2006,  
APPROVED BY THE CONFERENCE  
AT ITS ONE HUNDRED AND THIRD SESSION,  
GENEVA, 11 JUNE 2014

AUTHENTIC TEXT

**TEXT OF THE AMENDMENTS OF 2014  
TO THE MARITIME LABOUR CONVENTION, 2006**

**Amendments to the Code implementing Regulations 2.5 and 4.2 and appendices of the Maritime Labour Convention, 2006 (MLC, 2006), adopted by the Special Tripartite Committee on 11 April 2014**

**I. Amendments to the Code implementing Regulation 2.5 – Repatriation of the MLC, 2006 (and appendices)**

**A. Amendments relating to Standard A2.5**

In the present heading, “Standard A2.5 – Repatriation”, replace “A2.5” by “A2.5.1”.

Following paragraph 9 of the present Standard A2.5, add the following heading and text:

*Standard A2.5.2 – Financial security*

1. In implementation of Regulation 2.5, paragraph 2, this Standard establishes requirements to ensure the provision of an expeditious and effective financial security system to assist seafarers in the event of their abandonment.

2. For the purposes of this Standard, a seafarer shall be deemed to have been abandoned where, in violation of the requirements of this Convention or the terms of the seafarers’ employment agreement, the shipowner:

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

3. Each Member shall ensure that a financial security system meeting the requirements of this Standard is in place for ships flying its flag. The financial security system may be in the form of a social security scheme or insurance or a national fund or other similar arrangements. Its form shall be determined by the Member after consultation with the shipowners’ and seafarers’ organizations concerned.

4. The financial security system shall provide direct access, sufficient coverage and expedited financial assistance, in accordance with this Standard, to any abandoned seafarer on a ship flying the flag of the Member.

5. For the purposes of paragraph 2(b) of this Standard, necessary maintenance and support of seafarers shall include: adequate food, accommodation, drinking water supplies, essential fuel for survival on board the ship and necessary medical care.

6. Each Member shall require that ships that fly its flag, and to which paragraph 1 or 2 of Regulation 5.1.3 applies, carry on board a certificate or other documentary evidence of financial security issued by the financial security provider. A copy shall be posted in a conspicuous place on board where it is available to the seafarers. Where more than one financial security provider provides cover, the document provided by each provider shall be carried on board.

7. The certificate or other documentary evidence of financial security shall contain the information required in Appendix A2-I. It shall be in English or accompanied by an English translation.

8. Assistance provided by the financial security system shall be granted promptly upon request made by the seafarer or the seafarer's nominated representative and supported by the necessary justification of entitlement in accordance with paragraph 2 above.

9. Having regard to Regulations 2.2 and 2.5, assistance provided by the financial security system shall be sufficient to cover the following:

- (a) outstanding wages and other entitlements due from the shipowner to the seafarer under their employment agreement, the relevant collective bargaining agreement or the national law of the flag State, limited to four months of any such outstanding wages and four months of any such outstanding entitlements;
- (b) all expenses reasonably incurred by the seafarer, including the cost of repatriation referred to in paragraph 10; and
- (c) the essential needs of the seafarer including such items as: adequate food, clothing where necessary, 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 home.

10. The cost of repatriation shall cover travel by appropriate and expeditious means, normally by air, and include provision for food and accommodation of the seafarer from the time of leaving the ship until arrival at the seafarer's home, necessary medical care, passage and transport of personal effects and any other reasonable costs or charges arising from the abandonment.

11. The financial security shall not cease before the end of the period of validity of the financial security unless the financial security provider has given prior notification of at least 30 days to the competent authority of the flag State.

12. If the provider of insurance or other financial security has made any payment to any seafarer in accordance with this Standard, such provider shall, up to the amount it has paid and in accordance with the applicable law, acquire by subrogation, assignment or otherwise, the rights which the seafarer would have enjoyed.

13. Nothing in this Standard shall prejudice any right of recourse of the insurer or provider of financial security against third parties.

14. The provisions in this Standard are not intended to be exclusive or to prejudice any other rights, claims or remedies that may also be available to compensate seafarers who are abandoned. National laws and regulations may provide that any amounts payable under this Standard can be offset against amounts received from other sources arising from any rights, claims or remedies that may be the subject of compensation under the present Standard.

## **B. Amendments relating to Guideline B2.5**

At the end of the present Guideline B2.5, add the following heading and text:

### **Guideline B2.5.3 – Financial security**

1. In implementation of paragraph 8 of Standard A2.5.2, if time is needed to check the validity of certain aspects of the request of the seafarer or the seafarer's nominated representative, this should not prevent the seafarer from immediately receiving such part of the assistance requested as is recognized as justified.

C. Amendment to include a new appendix

Before Appendix A5-I, add the following appendix:

Appendix A2-I

Evidence of financial security under Regulation 2.5, paragraph 2

The certificate or other documentary evidence referred to in Standard A2.5.2, paragraph 7, shall include the following information:

- (a) name of the ship;
- (b) port of registry of the ship;
- (c) call sign of the ship;
- (d) IMO number of the ship;
- (e) name and address of the provider or providers of the financial security;
- (f) contact details of the persons or entity responsible for handling seafarers' requests for relief;
- (g) name of the shipowner;
- (h) period of validity of the financial security; and
- (i) an attestation from the financial security provider that the financial security meets the requirements of Standard A2.5.2.

D. Amendments relating to Appendices A5-I, A5-II and A5-III

At the end of Appendix A5-I, add the following item:

Financial security for repatriation

In Appendix A5-II, after item 14 under the heading Declaration of Maritime Labour Compliance – Part I, add the following item:

- 15. Financial security for repatriation (Regulation 2.5)

In Appendix A5-II, after item 14 under the heading Declaration of Maritime Labour Compliance – Part II, add the following item:

- 15. Financial security for repatriation (Regulation 2.5)

At the end of Appendix A5-III, add the following area:

Financial security for repatriation

**II. Amendments to the Code implementing Regulation 4.2 – Shipowners' liability of the MLC, 2006 (and appendices)**

A. Amendments relating to Standard A4.2

In the present heading, "Standard A4.2 – Shipowners' liability", replace "A4.2" by "A4.2.1".

Following paragraph 7 of the present Standard A4.2, add the following text:

8. National laws and regulations shall provide that the system of financial security to assure compensation as provided by paragraph 1(b) of this Standard for contractual claims, as defined in Standard A4.2.2, meet the following minimum requirements:

- (a) the contractual compensation, where set out in the seafarer's employment agreement and without prejudice to subparagraph (c) of this paragraph, shall be paid in full and without delay;



- (b) there shall be no pressure to accept a payment less than the contractual amount;
- (c) where the nature of the long-term disability of a seafarer makes it difficult to assess the full compensation to which the seafarer may be entitled, an interim payment or payments shall be made to the seafarer so as to avoid undue hardship;
- (d) in accordance with Regulation 4.2, paragraph 2, the seafarer shall receive payment without prejudice to other legal rights, but such payment 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; and
- (e) the claim for contractual compensation may be brought directly by the seafarer concerned, or their next of kin, or a representative of the seafarer or designated beneficiary.

9. National laws and regulations shall ensure that seafarers receive prior notification if a shipowner's financial security is to be cancelled or terminated.

10. National laws and regulations shall ensure that the competent authority of the flag State is notified by the provider of the financial security if a shipowner's financial security is cancelled or terminated.

11. Each Member shall require that ships that fly its flag carry on board a certificate or other documentary evidence of financial security issued by the financial security provider. A copy shall be posted in a conspicuous place on board where it is available to the seafarers. Where more than one financial security provider provides cover, the document provided by each provider shall be carried on board.

12. The financial security shall not cease before the end of the period of validity of the financial security unless the financial security provider has given prior notification of at least 30 days to the competent authority of the flag State.

13. The financial security shall provide for the payment of all contractual claims covered by it which arise during the period for which the document is valid.

14. The certificate or other documentary evidence of financial security shall contain the information required in Appendix A4-I. It shall be in English or accompanied by an English translation.

Add the following heading and text following the present Standard A4.2:

*Standard A4.2.2 – Treatment of contractual claims*

1. For the purposes of Standard A4.2.1, paragraph 8, and the present Standard, the term "contractual claim" means any claim which relates to death or long-term disability of seafarers due to an occupational injury, illness or hazard as set out in national law, the seafarers' employment agreement or collective agreement.

2. The system of financial security, as provided for in Standard A4.2.1, paragraph 1(b), may be in the form of a social security scheme or insurance or fund or other similar arrangements. Its form shall be determined by the Member after consultation with the shipowners' and seafarers' organizations concerned.

3. National laws and regulations shall ensure that effective arrangements are in place to receive, deal with and impartially settle contractual claims relating to compensation referred to in Standard A4.2.1, paragraph 8, through expeditious and fair procedures.

**B. Amendments relating to Guideline B4.2**

In the present heading, “Guideline B4.2 – Shipowners’ liability”, replace “B4.2” by “B4.2.1”.

In paragraph 1 of the present Guideline B4.2, replace “Standard A4.2” by “Standard A4.2.1”.

Following paragraph 3 of the present Guideline B4.2, add the following heading and text:

**Guideline B4.2.2 – Treatment of contractual claims**

1. National laws or regulations should provide that the parties to the payment of a contractual claim may use the Model Receipt and Release Form set out in Appendix B4-I.

**C. Amendment to include new appendices**

After Appendix A2-I, add the following appendix:

**Appendix A4-I**

**Evidence of financial security under Regulation 4.2**

The certificate or other documentary evidence of financial security required under Standard A4.2.1, paragraph 14, shall include the following information:

- (a) name of the ship;
- (b) port of registry of the ship;
- (c) call sign of the ship;
- (d) IMO number of the ship;
- (e) name and address of the provider or providers of the financial security;
- (f) contact details of the persons or entity responsible for handling seafarers’ contractual claims;
- (g) name of the shipowner;
- (h) period of validity of the financial security; and
- (i) an attestation from the financial security provider that the financial security meets the requirements of Standard A4.2.1.

After Appendix A4-I, add the following appendix:

**Appendix B4-I**

**Model Receipt and Release Form  
referred to in Guideline B4.2.2**

Ship (name, port of registry and IMO number):.....

Incident (date and place):.....

Seafarer/legal heir and/or dependant: .....

Shipowner:.....

I, [Seafarer] [Seafarer’s legal heir and/or dependant]\* hereby acknowledge receipt of the sum of [currency and amount] in satisfaction of the Shipowner’s obligation to pay contractual compensation for personal injury and/or death under the terms and conditions of [my] [the Seafarer’s]\* employment and I hereby release the Shipowner from their obligations under the said terms and conditions.

The payment is made without admission of liability of any claims and is accepted without prejudice to [my] [the Seafarer's legal heir and/or dependant's]\* right to pursue any claim at law in respect of negligence, tort, breach of statutory duty or any other legal redress available and arising out of the above incident.

Dated:.....

Seafarer/legal heir and/or dependant: .....

Signed:.....

*For acknowledgement:*

Shipowner/Shipowner representative:

Signed:.....

Financial security provider:

Signed:.....

\_\_\_\_\_  
\* Delete as appropriate.

#### D. Amendments relating to Appendices A5-I, A5-II and A5-III

At the end of Appendix A5-I, add the following item:

Financial security relating to shipowners' liability

In Appendix A5-II, as the last item under the heading Declaration of Maritime Labour Compliance – Part I, add the following item:

16. Financial security relating to shipowners' liability (Regulation 4.2)

In Appendix A5-II, as the last item under the heading Declaration of Maritime Labour Compliance – Part II, add the following item:

16. Financial security relating to shipowners' liability (Regulation 4.2)

At the end of Appendix A5-III, add the following area:

Financial security relating to shipowners' liability

The foregoing is the authentic text of the Amendments duly approved by the General Conference of the International Labour Organization during its One hundred and third Session which was held at Geneva and declared closed the twelfth day of June 2014.

IN FAITH WHEREOF we have appended our signatures this twelfth day of June 2014.

The text of the Amendments as here presented is a true copy of the text authenticated by the signatures of the President of the International Labour Conference and of the Director-General of the International Labour Office.

Certified true and complete copy,

*For the Director-General of the International Labour Office:*