



## CIRCULAR MCO - 013

**DATE:** OCTOBER 27, 2016  
**FROM:** MCO HEAD OFFICE – TECHNICAL DEPARTMENT  
**TO:** ALL SURVEYORS AND CUSTOMERS OF MACOSNAR CORPORATION  
**SUBJECT:** MARITIME LABOUR CONVENTION (MLC, 2006). AMENDMENTS-REGULATIONS 2.5 (REPATRIATION) AND 4.2 (SHIPOWNER'S LIABILITY),  
**REFERENCE:** MARITIME LABOUR CONVENTION, MLC 2006.

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. For the first time, the amendments contain standards for financial protection of seafarers' entitlements when abandoned by the ship owner. In addition, the amendments of the Maritime Labour Convention provide minimum requirements for financial security (P&I Club or insurer) for compensation claims for the death or disability of seafarers due to occupational accidents, diseases or hazards. The amendments of the Maritime Labour Convention will enter into force on **18 January 2017**.

### **Amendments to the Code implementing Regulation 2.5 – Repatriation of the MLC, 2006**

1. Financial Security for cases of abandonment -Regulation 2.5- The amendments to the Code implementing Regulation 2.5 – Repatriation are intended to better address the specific problems faced in cases of abandonment of seafarers with expeditious and effective financial security system to assist seafarers in the event of their abandonment. The 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 ship owner:

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

1.1 The shipowner has to maintain a financial security (P&I Club or insurer) for cases of abandonment. The insurance policy must cover the necessary support for seafarers which shall include: adequate food, accommodation, drinking water supplies, essential fuel for survival on board the ship and necessary medical care.

1.2 Evidence of financial security (P&I Club or insurer) 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:

- name of the ship,
- port of registry of the ship,
- call sign of the ship,
- IMO number of the ship,
- name and address of the provider or providers of the financial security,
- contact details of the persons or entity responsible for handling seafarers’,
- requests for relief,
- name of the shipowner,
- period of validity of the insurance policy, and
- an attestation from the financial security (P&I Club or insurer) meets the requirements of Standard A2.5.2 to the MLC amended.

1.3 The financial security (P&I Club or insurer) must provide that:

- The crew members may assert their claims directly to insurer or crew management,
- The insurance cover or protection provided by the other financial security does not cease before the end of the contract period unless the insurer has given prior notification of at least 30 days to the General Directorate of Seafarers in [labormar@amp.gob.pa](mailto:labormar@amp.gob.pa)

1.4. Is an obligation to ensure that all ships are covered by financial security (P&I Club or insurer) in accordance with the Convention as amended, from the date when the amendments enter into force.

**Amendments to the Code implementing Regulation 4.2 – Shipowners’ liability of the MLC, 2006**

2. Implementing -Regulation 4.2 - Shipowners’ liability of the MLC, 2006. The amendments to the Code require further providing financial security to assure compensation in the event of the death or long-term disability of seafarers due to an occupational injury, illness or hazard. The shipowners shall maintain an financial security (P&I Club or insurer) which compensate crew members or their survivors in case of disability or death of crew members due to occupational accidents or diseases, according to the Executive Decree No. 86 of the 2013 (whereby the maritime labour convention, 2006 is regulated), Article 172: “**Shipowners must provide insurance coverage in order to guarantee the payment of an indemnity in the event of death or long-term disability of Seafarers, as a result of a work accident, illness or occupational risk**”.

2.1 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:

- name of the ship,
- port of registry of the ship,
- call sign of the ship,
- IMO number of the ship,
- name and address of the provider or providers of the financial security,
- contact details of the persons or entity responsible for handling seafarers’ contractual claims,

- name of the shipowner,
- period of validity of the financial security (P&I Club or insurer) y; and
- an attestation from the financial security (P&I Club or insurer) meets the requirements of Standard A4.2.1.

3. In both cases (Paragraphs 1 and 2), the financial security (P&I Club or insurer) shall not cease before the end of the period of validity of financial security (P&I Club or insurer) provider has given prior notification of at least 30 days to the General Directorate of Seafarers in [labormar@amp.gob.pa](mailto:labormar@amp.gob.pa)

4. On board of the Panamanians Ships shall require a certificate or other documentary evidence of financial security (P&I Club or insurer). A copy shall be posted in a conspicuous place on board where it is available to the seafarers. Where more than one financial security (P&I Club or insurer) provides cover, the document provided by each provider shall be carried on board. Declaration of Maritime Labour Compliance (DMLC).

5. **The DMLC issued from January 18, 2017** will have to include the amendments in both Parts.

- Financial Security for Repatriation (Regulation 2.5- Abandonment)
  - All vessels must be under the obligation to provide a financial security in order to ensure that Seafarers are duly repatriated. Executive Decree No. 86, February 22, 2013. Title III. Chapter Eight.
- Financial Security relating to shipowner's Liability (Regulation 4.2)
  - Shipowners must provide insurance coverage in order to guarantee the payment of an indemnity in the event of death or long-term disability of Seafarers, as a result of a work accident, illness or occupational risk. Executive Decree No. 86, February 22, 2013. Title Five. Chapter II.

Transitional measures relating to the entry into force of the amendments to the Maritime Labour Convention, 2006

6. Resolution on the transitional measures relating to the entry into force of the amendments concerning financial security requirements in respect of abandonment of seafarers and for shipowners' liability. April, 2014.

- ✓ Requests Members to recognize the need for a transitional period to issue or renew Maritime Labour Certificates and the related declarations of maritime labour compliance in accordance with the requirements of the Convention as amended;
- ✓ Urges Members to ensure that the Maritime Labour Certificates and the declarations of maritime labour compliance are issued or renewed so as to comply with the requirements of the Convention as amended, on ships that fly their flag, no later than the date of the first renewal inspection following entry into force of the amendments;

7. Text of the amendments of 2014 to the Maritime Labour Convention, 2006 adopted by the Special Tripartite Committee on 11 April 2014.

8. **From January 18, 2017 on board of all Panamanian Flag Vessels shall maintain on board both financial security (P&I Club or insurer) -Regulations 2.5 –Repatriation- and 4.2 -Shipowner's Liability- which shall be verified during the first intermediate inspection carried out on or after January 18, 2017.** The MCO will include in the correspondent MLC check list the

verification of the two (2) financial securities (P&I Club or insurer) and verified these requirements during the initial, intermediate (after January 18, 2017) and renewal inspections.

9. There is no need to reissue the DMLC Part I and Part II until the expiration date of the certificates, when the vessel will renew the MLC Certificate new DMLC Part I and Part II will be issue with new amends of the MLC convention.

10. If the owners wants to reissue the DMLC Part I and Part II, we can process his request but he must pay as initial government fees and shall send us a formal request to:

**Giovanna Villamonte Santos**  
Chief of MLC Section- SEGUMAR Office  
Directorate of Merchant Marine  
Panama Maritime Authority

Inform that they want to reissue the Full term Certificate, DMLC Part I and Part II, with Macosnar Corporation

Thanking you for your kind attention and understanding.

Kindest Regards

***Eng. Isabel Valencia***  
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