

CLUB CIRCULAR

Friday, December 26, 2016

BSM-GM-07/013/16

To: All Members

MARITIME LABOUR CONVENTION 2006 AS AMENDED (MLC)

FINANCIAL SECURITY REQUIREMENTS

This circular informs our valued Members that the Amendments of 2014 to the Maritime Labour Convention 2006 will enter into force on 18 January 2017. After this date, ships that are subject to the MLC will be required to display certificates issued by an insurer or other financial security provider confirming that insurance or other financial security is in place in respect of:

- repatriation of seafarers together with costs and expenses incidental hereto and in the event of their abandonment, including outstanding wages, in accordance with MLC Regulation 2.5, Standards A2.5.1, A2.5.2 and Guideline B2.5 and
- compensation for death or long-term disability of a seafarer due to an occupational injury, illness or hazard in accordance with Regulation 4.2., Standards A4.2.1, A4.2.2 and Guidelines B4.2.1, B4.2.2

Ships requiring MLC Certificates

Ships will require MLC Certificates if they are registered in a state where MLC is in force.

There is no direct requirement in MLC conditions to have the MLC Certificates on board ships flying flag of non-party to MLC when calling at a port in a jurisdiction where MLC is in force. However, according to explanations of officers of some maritime administrations and existing practice, the local port authorities should apply the principle set out in Tokyo, Paris and other regional MOUs: "In applying the relevant instrument, the Authorities will ensure that no more favourable treatment is given to ships of non-Parties", and referring to this principle the ship under flag of non-party to MLC can be also required to produce the mentioned MLC certificates.

Referring to the above, we kindly recommend to the Members which operate ships

under flags of non-parties to MLC which call at ports of MLC parties to have the said MLC Certificates on board their ships.

Members can find the details of States which are party to MLC and the relevant interpretation in various resources like IMO website.

MLC Certificates are not required for ships registered in States which are not party to MLC and which will not call at States which are party to MLC.

Financial Security The financial security in respect of repatriation of seafarers together with costs and expenses incidental hereto and in the event of their abandonment, including outstanding wages, and in respect of compensating a seafarer in the event of the death or long-term disability of a seafarer due to an occupational injury, illness or hazard.

Proceeding

BSM will provide such MLC certificates for our Members' ships depend on difference scenarios as below:

- a. For ships already entered BSM with necessary crew liability cover and with or without MLC clause before this circular date, BSM will issue the endorsement with MLC clause and the MLC certificates free of charge.

For ships already entered BSM with crew liability cover without MLC clause BSM holds the right to charge the relevant additional premium related to MLC cover when renewal.

- b. For ships already entered BSM but without crew liability, BSM can provide crew liability cover and add MLC clause to its policy upon Member's request, subject to additional premium.
- c. BSM Rule 2017 will be published on date before 18th January 2017. For vessels which enter on or after this date, if the cover includes the necessary crew liability, BSM will issue the Certificate of Entry based on BSM Rule 2017 which includes the necessary MLC cover in accordance with last requirements, and issue the MLC certificates accordingly.

We invite Members who anticipate they need such Financial Security for their ship (whether registered in a State party or trading to a State party) to contact BSM's Underwriting Department to apply for a MLC Certificates as soon as possible.



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BSM will send the MLC Certificate in electronic format and the Member should print the hard copy posting onboard their ships before 18th January 2017. For certain countries/areas like Russia, the original MLC Certificates are required to present on board. BSM encourage our Members to apply and obtain the MLC certificate in advance taking into consideration the processing and courier time.

If our valued Member has any doubt, please contact our Underwriting Department at underwriter@britishsteamship.com

Yours faithfully

British Steamship Management Limited

Manager of

British Steamship P&I Association (Bermuda) Limited

www.britishsteamship.com