

	<b>CIRCULAR 2016-002 (rev.1)</b>		
	<b>DEPARTMENT OF MARINE SERVICES AND MERCHANT SHIPPING (ADOMS)</b>		
	<b>Maritime Labour Convention (2006) Financial Security Requirements</b>	<table border="1"> <tr> <td style="text-align: center;">Ref</td> <td style="text-align: center;">MLC 2006</td> </tr> </table>	Ref
Ref	MLC 2006		

**Companies having registered their ships under the flag of Antigua and Barbuda,  
Ships registered under the flag of Antigua and Barbuda,  
Authorised Recognised Organisations (ROs)**

**1. Introduction**

The 2014 amendments to the Maritime Labour Convention (2006) (MLC) entered into force on 18<sup>th</sup> January, 2017 with the most significant changes being to Standard A2.5.2 – financial security in the event of abandonment of a seafarer and Standard A4.2 – financial security in case of a contractual claim which relates to death or long-term disability of seafarers due to an occupational injury, illness or hazard.

**2. Certification**

Ships will therefore need to carry on board a certificate or other documentary evidence to show that the appropriate financial security is in place.

There is no need for flag States to issue additional certification. However, in order to maintain an appropriate level of oversight, ADOMS expects that when ship operators apply for Civil Liability Cover in accordance with Circular 2013-002-(rev3) International Convention on Civil Liability for Bunker Oil Pollution Damage, Circular 2014-005-(rev2) International Convention on Civil Liability for Oil Pollution Damage (CLC) 1992, and/or Circular 2015-001-(rev3) Nairobi International Convention on the Removal of Wrecks, 2007, they also state the name of the providers of their financial security coverage under the MLC. Thus contact can easily be made should any queries arise during inspections or in the event of related incidents.

It will not be required to forward copies of MLC financial security certificates to the administration.

Providers of financial security are expected to provide contact details and a means by which ADOMS can easily check the cover is provided in accordance with the certificates. ADOMS will be accepting certificates or other documentary evidence of financial security provided by members of the International Group of P&I Clubs (see Annex 1) and also by organizations listed in Annex 2.

Other providers are welcome to apply for inclusion in Annex 2 by submitting the following:

- a. Adequate documentation on the provider's standing and hence solvency; which could be in the form of audited financial statements from the past three years duly authenticated and signed by the auditor;
- b. Adequate documentation on approval by the relevant authority that the provider is eligible to carry out related business in the country of the authority;
- c. A guarantee by the provider and its parent company, if one exists, that it will cover any liability incurred as per MLC Standard A2.5.2 and Standard A4.2 and

up to the limits of liability according to the International Convention on Limitation of Liability for Maritime Claims, 1976 (as amended); and

- d. Information in respect of any other flag States which have accepted the providers provision of financial security.

Certificates of insurance or other documentary evidence of financial security shall include the following information specified in the Maritime Labour Convention:

- 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.or A4.2. as appropriate.

It should be noted that on these certificates the shipowner will normally be the entity that is insured and not necessarily the MLC shipowner named on other MLC documentation. Where the shipowner named on the financial security certificates and the MLC shipowner are different, the DMLC Part II must demonstrate the linkage between them e.g. the name of the registered owner could be the insured person on the financial security certificates. Annex 3 contains a copy of a Model Receipt and Release Form which is accepted by ADOMS as referred to in MLC Guideline B4.2.2.

### **3. Entry into force**

The 2014 amendments to MLC entered into force on 18<sup>th</sup> January, 2017. It is anticipated that in many cases the certificates of insurance or other documentary evidence of financial security will initially be effective from 18<sup>th</sup> January, 2017 to 20<sup>th</sup> February, 2018, providing the owner has renewed with the same club. Thereafter certificates will generally be issued on a yearly basis from 20<sup>th</sup> February to 20<sup>th</sup> February.

### **4. Declaration of Maritime Labour Compliance (DMLC)**

Any DMLC Part I issued prior to the coming into force of this requirement may remain valid until the next MLC certification renewal inspection. Those issued after this date will reflect the new requirements.

Shipowners are expected to have updated their DMLC Part II initially possibly by way of an addendum, to reflect the new requirements and this will be acknowledged in the inspection report produced at the next attendance of the RO for MLC inspection as will any other consequent changes to MLC documentation, manuals etc.

Should any other significant changes that directly impact seafarer living and working conditions on board need to be made to a DMLC Part II before the scheduled renewal of MLC certification, then the opportunity should be taken to include the financial liability changes and also to apply for a new DMLC Part I with ADOMS prior to the attendance of the RO.

In any case, it will be necessary to ensure that the DMLC Parts I and II include the updated MLC related paragraphs at the next MLC certification renewal inspection.

## **5. Legislation**

Antigua and Barbuda is in the process of updating its legislation with Directors Directive 001-2017 having been issued as an interim measure until the schedule to the Merchant Shipping (Maritime Labour Convention, 2006) Regulations, 2012 Statutory Instrument 2012, No. 15 is updated.

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### **ANNEX 1**

#### **Members of the International Group of P&I Clubs**

- American Steamship Owners Mutual Protection and Indemnity Association, Inc.
- Assuranceforeningen Skuld;
- Gard P&I (Bermuda) Ltd.
- The Britannia Steam Ship Insurance Association Limited;
- The Japan Ship Owners' Mutual Protection and Indemnity Association;
- The London Steam-Ship Owners' Mutual Insurance Association Limited;
- The North of England Protecting & Indemnity Association Limited;
- The Shipowner's Mutual Protection & Indemnity Association (Luxembourg),
- The Standard Club Ltd.
- The Steamship Mutual Underwriting Association (Bermuda) Limited;
- The Swedish Club;
- United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited;
- The West of England Ship Owners Mutual Insurance Association (Luxembourg).

### **ANNEX 2**

#### **Current List of other providers authorised by Antigua and Barbuda to provide MLC related financial security**

- Alandia P&I;
- British Marine;
- Carina;

- Hanseatic Underwriters;
- Hydor AS
- Lodestar.
- Noord Nederlandsche P&I Club

**ANNEX 3**

**Model Receipt and Release Form referred to in MLC 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: .....

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\* Delete as appropriate