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Circular 05/2017

SUBJECT: Liability Insurance for Seafarer Abandonment, Death, and Long-Term Disability

1.0 References:

- (a) MLC, 2006, *Maritime Labour Convention, 2006*, as amended
- (b) ILO Resolution GB.322/LILS/3, *Resolution on transitional measures relating to the entry into force of the amendments to the Maritime Labour Convention, 2006 concerning financial security requirements in respect to the abandonment of seafarers and for shipowners' liability*, adopted 10 October 2014

2.0 PURPOSE

This Circular provides the requirements with respect to the 2014 amendments to the Maritime Labour Convention, 2006 (MLC, 2006).

3.0 BACKGROUND

On 11 June 2014, the International Labour Organization (ILO) adopted amendments to the MLC, 2006:

1. Standard A2.5 was amended to require a financial security system to be provided to assist seafarers in the event of abandonment.

2. Standard A4.2 was amended to provide minimum requirements for financial security for compensation of contractual claims in the event of death or long-term disability of seafarers.

Objective of the amendments is to provide seafarers with direct access to compensation, sufficient coverage, and expedited financial assistance. Both sets of amendments entered into force on 18 January 2017.

4.0 Certificates of Financial Security

4.1 As of **18 January 2017**, all Bangladesh Flagged vessels that are required to be certified [i.e., carry a Maritime Labour (ML) Certificate] or have opted for voluntary certification under MLC, 2006 must carry on board certificates or other documentary evidence of financial security to show compliance with MLC, 2006:

- a) Standard A2.5.2: Shipowner liability in cases of abandonment; and
- b) Standard A4.2.1: Treatment of Contractual Claims-death and long-term disability.

4.2 The certificate or other documentary evidence of financial security required must include the following information and be issued directly to the shipowner by the financial security provider [Protection and Indemnity (P&I) Club or other insurer]:

- (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 on whose behalf financial security has been provided. These persons or entity may be the registered owner or the ship operator; and shall be indicated accordingly in the Declaration of Maritime Labour Compliance (DMLC) Part II.
- (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 Standards A 2.5.2 and A 4.2.1.

4.3 A copy of the certificates or documentary evidence must be posted in a conspicuous place on board the vessel where it is available to the seafarers.

5.0 Declaration of Maritime Labour Compliance (DMLC)

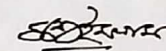
5.1 As of the issuance of this Circular, the DMLC Part I and DMLC Part II have been amended by this Administration to incorporate the 2014 amendments to MLC, 2006. While the DMLC Part I and Part II will need to be amended, this Administration do not envision changes to existing DMLCs prior to issuance of this circular, provided that evidence of compliance with the new requirements (i.e., documents evidencing liability insurance coverage) is posted on board as required.

5.2 Shipowners of existing Bangladesh-flagged vessels will need to request a new DMLC Part I from this Administration and amend their DMLC Part II accordingly. This must be done by the initial or first renewal inspection after the issue date of this circular. This may also be accomplished earlier on a voluntary basis.

5.3 As inspectable items, this administration will verify that the amendments to the DMLC Part II have been accomplished in accordance with this circular; and that the required certificates are current and posted on board.

6.0 Validity of Documentation

6.1 An MLC Certificate and DMLC consisting of the DMLC Part I and DMLC Part II must be issued or renewed so as to comply with the requirements of the Convention, as amended, no later than the date of the initial or first renewal inspection following this circular. An existing MLC Certificate and DMLC, while they are still valid in accordance with the Convention, shall remain valid until that time.



Principal Officer

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Date: 20-04-2017

Distribution :

1. Managing Director, Bangladesh Shipping Corporation, BSC Bhaban, Saltgola Road, P.O. Box No. 641, Chittagong - 4100.
2. The Chairman, Bangladesh Ocean Going Ships Owners Association, House No - 11/B (6th Floor), Road No- 30, Gulshan - 2, Dhaka. → With a request to inform all your members.
3. All Recognised Organisation.
4. Managing Director, Brave Royal Ship Management Ltd, Kabir Manjil (4th Floor), SK Mujib Road, Agarbad C/A, Chittagong - 4100.
5. Managing Director, Vanguard Maritime Ltd, Arif Chamber, 98, Agrabad C/A, Chittagong - 4100.
6. Managing Director, Worldera Corporation Ltd, 61 Sam's View, Block-A, Road No-1, Bashundhara R/A, Dhaka-1229.
7. Managing Director, Crown Maritime & Shipping Services, House No. 1 & 7, Road No. 95, Block-Cen (A), North Avenue, Gulshan-2, Dhaka-1212.
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Copy to :

1. The Secretary, Ministry of Shipping, Dhaka.
2. The Director General, Department of Shipping, Dhaka.
3. Nautical Surveyor, Mercantile Marine Office, Chittagong.
4. Nautical Surveyor, Mercantile Marine Office, Khulna.