



TECHNICAL ALERT No. 16-51

Implementation of Standards A2.5.2 and A4.2.1 of the Maritime Labour Convention 2006, as amended

1. Introduction

- 1.1. The 2014 amendments to International Labour Organisation (ILO) Maritime Labour Convention 2006 (MLC 2006) requires shipowners to have financial security for the purpose of:
 - .1 abandonment of seafarers (Standard A2.5.2); and
 - .2 shipowners' liability for contractual claims (Standard A4.2).1
- 1.2. The amendments entered into force on 18th January 2017 and ships will have to demonstrate that appropriate financial security provisions are in place, effective from this date.

2. Certification

- 2.1 The amendments to MLC 2006 require changes to the DMLC Part I and DMLC Part II to incorporate the financial security provisions and subsequent change to the Maritime Labour Certificate once the revised DMLC have been completed.
 - 2.2 Accordingly, shipowners should take into consideration the guidance contained in BMA Information Bulletin nos 127 and 161 and submit application Form R109 (electronic applications will be accepted) to the BMA, mlc@bahamasmaritime.com, for a revised DMLC Part I, no later than 18th January 2017.
 - 2.3 The DMLC Part I application (Form R109) should include **valid** documentary evidence of the financial security arrangement for compliance with the MLC 2006 abandonment and shipowner liability for contractual claim requirements.
 - 2.4 Shipowners should note that applications will be processed in the order that they were received by the BMA.
 - 2.5 DMLC Part I will be issued subject to verification of compliance with the MLC 2006 provisions and receipt of payment (Fee is US\$150 plus courier fee).
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- 2.6 Where the same shipowner has more than one (1) ship and there has been no changes to the equivalency, exception or exemption of the affected ships, then the shipowner can complete 1 Form R109 and use an Appendix in the format, noted in *Annex I*, to list all the affected ships.
- 2.7 Shipowners should note that there will be a number of ships seeking certification and accordingly, it is critical to engage with the proposed financial security providers at an early stage and submit DMLC Part I applications in a timely manner, in order to avoid any delays to the ship.
- 2.8 In the event that an application has been submitted for a revised DMLC Part I and the DMLC Part I process has not been finalised, the shipowner shall:
- .1 Ensure that there is documentary evidence onboard that an application has been submitted to the BMA;
 - .2 Maintain onboard valid documentary evidence of the proposed Financial Security. This document or documents, if there is more than one means of financial security, should be posted in a conspicuous place onboard, where it is available to the seafarers; and
 - .3 Maintain onboard the existing DMLC Part I and II.
- 2.8.1 Once the revised DMLC Part I has been issued, the shipowner shall provide a copy of the revised DMLC Part I and revised DMLC Part II to the issuing body of the Maritime Labour Certificate who will verify the onboard arrangements during the first MLC 2006 intermediate inspection or MLC 2006 renewal inspection after 18th January 2017, whichever period is earlier.
- 2.8.2 All parties should note that where the Certificate of Financial Security has been post-dated (has an issue date) to coincide with the 18th January 2017 date of implementation, the issue date of the revised DMLC Part I will be aligned with the issue date of the Certificate of Financial Security.
- 2.9.1 All parties are reminded of the following:
- The 2014 amendments to MLC 2006 incorporate a specific reference, on the DMLC Part I, to Regulation 2.5 (Financial security for Repatriation) and Regulation 4.2 (Financial security for Shipowners' Liability) and accordingly, the documentary evidence of financial security complying with these requirements must be provided at the time of application. If documentary evidence of financial security was not provided before 18th January 2017, another application will have to be submitted once the documentary evidence of financial security is available;
 - A new DMLC Part I will be required where there is a change of the ship's particulars as recorded on the DMLC Part I or any changes to the exemptions or equivalent arrangements;

- Where there has been a change of shipowner as recorded on the initial form R109, a new application form shall be submitted to the BMA. The BMA will verify the submitted information for MLC 2006 compliance and issue a new DMLC Part I to reflect the date that verification was completed;
- A revised DMLC Part I is not required for a change of ISM Manager unless the ISM Manager is the shipowner for MLC 2006 purposes;
- A revised DMLC Part II is required where there is a change of shipowner or a change to the measures to ensure compliance with the provisions of the DMLC Part I.

2.9.2 Annex II provides a summary of the occasions when a Form R109 should be completed.

2.10.1 All parties should note that the BMA must be notified when there has been a change of means of financial security or renewal of financial security as recorded on the initial Form R109.

2.10.2 The notification shall be made by submitting a completed R109 to the BMA.

2.10.3 The BMA will review the submitted information for MLC 2006 compliance and issue a Statement if the financial security complies with the MLC 2006 provisions. The Statement should be maintained with the DMLC and Maritime Labour Certificate.

2.11 If there are queries with regards to a ship's compliance with the MLC 2006 financial security provisions, port state authorities or other duly authorised persons shall contact the BMA.

3. Validity

3.1. This alert is valid until 31 December 2017

4. Revision History

Rev.2 (24 January 2017) – Third issue. Clarification on period of first MLC 2006 inspection requirements

Rev.1 (21 December 2016) – Second issue. Information on processing an application where the Certificate of Financial Security is post-dated, allowance for application for more than 1 ship, inclusion of table of occasions where a R109 should be completed.

Rev.0 (13 October 2016) – First issue

ANNEX I

Appendix to Form R109 (For shipowner, in accordance with MLC 2006 Article II 1(j), with more than 1 ship)

No.	Name of Ship	IMO No.	Official No.
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

Stamp of the MLC 2006 Shipowner/Duly authorized Company

Signature:

Name:

Position in Company:

Name of Company:

Contact details (phone/email):

Date:

Annex II: Criteria for the completion of Form R109

PROCESS	COMPLETE R109 FORM	ISSUE OF DMLC-1 CERTIFICATE	ISSUE OF STATEMENT OF ACCEPTANCE/VERIFICATION OF FINANCIAL SECURITY
Ship entering the Register	YES	YES	YES
Change of Registered Owner with no change of MLC Shipowner	NO	NO	NO (<i>unless there is a change of financial Security details.</i>)
Change of Registered Owner with change of MLC-Shipowner	YES	YES	YES
Change of ISM Manager where ISM Managers is not the MLC Shipowner	NO	NO	NO (<i>unless there is a change of financial Security details</i>)
Change of ISM Manager where the ISM Manager is the MLC Shipowner	YES	YES	YES
Change Vessel's Name	YES	YES	YES
Change of Gross Tonnage	YES	YES	NO
Notification of Equivalency or Exemption that is not referred to in the existing DMLC Part 1	YES	YES	NO
Change or renewal of financial security	YES	NO	YES
Change of Shipowners Address	NO	NO	NO