

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. 1356

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Introduced by Hon. Karlo A. B. Nograles and Hon. Jericho Jonas B. Nograles

EXPLANATORY NOTE

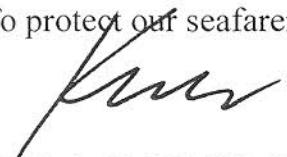
Trade would not be possible without shipping and the seamen that man the sea vessels. According to the latest statistics (2011) of the Philippine Overseas Employment Administration, the Philippines has an estimated pool of 700,000 seafarers, about 400,000 of which are deployed in ships of Philippine registry and about 300,000 deployed in ships of foreign registry. A report stated that there was even a time when Filipino seafarers accounted for nearly one-third of the world's 1.3 million seafarers.

It is unfortunate, however, that despite their number and great contribution to the national economy, the particular needs of our Filipino seafarers have been neglected. For many years, the Philippine maritime industry has been a self-policing one loosely guided by best practices, and international standards prescribed by the United Nations, the International Labor Organization, and the International Maritime Organization. It would be to the benefit and welfare of our seafarers if clear policies are established governing them, and the distinct nature of their work is properly recognized in Philippine laws.

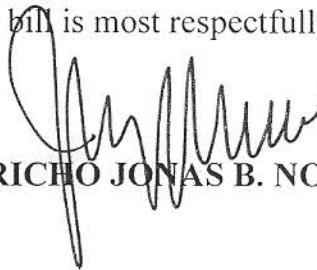
In consideration of the need for a law that would focus on Filipino seafarers, this bill seeks to recognize and uphold the rights of Filipino seafarers, institute mechanisms for the enforcement and protection these rights, and provide for compulsory benefits to alleviate their condition in life. Among its provisions are as follows:

1. Provide for seafarers' rights such as just terms and conditions of work, right to self-organization, educational advancement and training at reasonable and affordable costs, free legal assistance, and access to communication;
2. Provide guidelines for shipboard training of cadets;
3. Provide that the ship owner or agency shall have the primary responsibility to immediately repatriate seafarers and to advance the repatriation and other attendant costs; and
4. Provide for the welfare and social security protection of Filipino seafarers.

To protect our seafarers, the immediate passage of this bill is most respectfully sought.



KARLO A. B. NOGRALES



JERICHO JONAS B. NOGRALES

SEVENTEENTH CONGRESS

First Regular Session

House Bill No. **1356**

Introduced by Hon. Karlo A. B. Nograles and Hon. Jericho Jonas B. Nograles

AN ACT INSTITUTING POLICIES FOR THE PROTECTION OF WELFARE OF FILIPINO SEAFARERS

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

CHAPTER I
GENERAL PROVISIONS

SECTION 1. *Short Title.* – This Act shall be known as the “Filipino Seafarers’ Act.”

SEC. 2. *Declaration of Policies.* – It is hereby declared the policy of the State:

- (a) To recognize the rights, contributions and unique role of Filipino seafarers as maritime professionals, as well as their vulnerabilities, and afford them full protection before, during and after their employment;
- (b) To maintain and progressively develop a pool of competent and world-class seafarers through a system of education, training, accreditation and licensing;
- (c) To establish mechanisms for the enhancement of administrative, adjudicative, social, as well as welfare services for seafarers and their families;
- (d) To enact laws that adopt, and implement the standards set by international conventions and agreements on working and living conditions, and occupational safety and health, among others, for seafarers particularly the Maritime Labour Convention 2006; and
- (e) To recognize shipowners, manning and recruitment entities as vital partners in promoting the skills and competencies of Filipino seafarers.

Toward these ends, the State shall endeavor to improve the Filipino seafarers’ working conditions, terms of employment, career prospects and provide them opportunities to harness their potentials to the fullest. The State shall further work to uplift the socioeconomic well-being of the Filipino seafarers’ families.

SEC. 3. *Applicability.* – This Act shall cover Filipino seafarers engaged, employed, or working in any capacity on board Philippine registered ships operating domestically or internationally, as well as those on board foreign registered ships.

This Act shall not cover the following categories of ships:

(a) Warships and naval auxiliaries;

(b) Government ships not engaged in commercial operations;

(c) Ships of traditional build, as may be defined under existing rules and regulations; and

(d) Fishing vessels.

SEC. 4. *Definition of Terms.* – As used in this Act:

(a) *Cadet* refers to a student of a maritime educational institution who is required to undergo training on board registered international ships or domestic ships to fulfill a maritime academic course;

(b) *Domestic shipping* refers to the transport of passenger or cargo or both by ships duly registered and licensed under Philippine law to engage in trade and commerce between Philippine ports and within Philippine territorial or internal waters for hire or compensation with general or limited clientele whether permanent, occasional or incidental with or without fixed routes, and done for contractual or commercial purposes;

(c) *International Maritime Convention* or *International Convention* refers to any written treaty or agreement, or any protocol or amendment thereto, affecting the maritime industry which has come into force and effect, including the Maritime Labour Convention 2006;

(d) *License* refers to the document issued by the Department of Labor and Employment (DOLE) authorizing any person or entity to engage in the recruitment and placement of seafarers;

(e) *Manning/recruitment and placement agency* refers to any Filipino person, corporation, partnership, company, or other entity engaged in the canvassing, enlisting, contracting, transporting, utilizing, hiring or procuring whether for profit or not, of seafarers whether domestic or international;

(f) *Maritime industry stakeholders* refer to all private sector stakeholders, engaged in the business of owning, managing, chartering or operating domestic and international ship/s of Philippine or foreign registry; manning of ships; management of ports; stevedoring and

arrastre services; ship brokering and chartering; ship-building and ship repair; providing maritime services such as ship supplies and provisions; maritime education and training; shipping agency; and other similar activities.

This term shall also include *bona fide* maritime labor organizations and professional associations of seafarers;

(g) *Master* refers to a person having command of a ship;

(h) *Maritime Labour Certificate* refers to the document that certifies that the working and living conditions of the seafarers on the ship have been inspected and are compliant with the requirements of Philippine laws and regulations;

(i) *Officer* refers to a member of the crew other than the master who has been designated as such by national law or regulation or, in the absence of such designation, by collective agreement or custom;

(j) *Deck officer* refers to an officer qualified in accordance with Chapter II of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW) 1978, as amended;

(k) *Engine officer* refers to an officer qualified in accordance with Chapter III of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW) 1978, as amended;

(l) *Philippine national* refers to any individual who is a citizen of the Philippines, or a commercial partnership or corporation organized under the laws of the Philippines, at least sixty percent (60%) of the capital of which is owned by citizens of the Philippines;

(m) *Philippine Seafarers' One-Stop Center (PSOC)* refers to the facility which houses multiple offices or agencies involved in providing services to seafarers in one roof;

(n) *Point of hire* refers to the place where the contract of employment was executed;

(o) *Recognized organizations* refer to organizations recognized by the DOLE to carry out inspections or issue the Maritime Labour Certificate in accordance with the scope of activities covered by their authorizations;

(p) *Repatriation* refers to the process of returning a seafarer to the point of hire;

(q) *Seafarer* refers to a person who is employed or is engaged to work in any capacity on board a ship to which this Act applies;

(r) *Ship* or *vessel* refers to any kind, class or type of craft or artificial contrivance capable of floating in water, whether publicly or privately owned, ordinarily engaged in commercial activities and offshore operations, except fixed platform;

(s) *Sea going ship* refers to a ship other than those which navigate exclusively inland water or water within or closely adjacent to sheltered water or areas where port regulations apply; and

(t) *Shipowner* refers to the owner of the ship employing Filipino seafarers to work on board domestic ships and ships engaged in international trade, or any other organization or person, such as the manager, agent or bareboat charterer, who has assumed the responsibility for operation and management of the ship, and who, on assuming such responsibilities, has agreed to take over all the attendant duties and responsibilities of a shipowner under this Act, regardless of whether any other organization or persons fulfill certain of the duties or responsibilities on behalf of the shipowner.

CHAPTER II SEAFARERS' RIGHTS

SEC. 5. Right to Just Terms and Conditions of Work. – Seafarers shall have the right to:

(a) Safe and secure workplace that complies with safety standards;

(b) Decent working and living conditions on board a ship;

(c) Medical care, welfare measures and other forms of health and social protection; and

(d) Fair terms and conditions of employment including salary commensurate to their rank, hours of work, and other relevant basis for wage computation, minimum number of working hours, rest period consistent with Philippine laws or international maritime conventions, when applicable.

SEC. 6. Right to Self-organization, to Engage in Collective Bargaining and to Participate in Democratic Exercises. – Seafarers shall enjoy their right to self-organization, to collective bargaining and to participate in the deliberation of issues and in the formulation of policies that affect them, including the guarantee of representation in governing boards or appointment in government instrumentalities.

SEC. 7. Right to Educational Advancement and Training at Reasonable and Affordable Costs. – Seafarers shall have access to educational advancement and training at reasonable and affordable costs.

Towards this end, relevant government agencies shall:

- (a) Regulate the operation of all educational and training institutions offering courses related to seafaring;
- (b) Pursue grant programs such as scholarships, subsidies, loan assistance and other measures that will harness the skills of Filipino seafarers toward greater competitiveness given the new demands in the industry; and
- (c) Promote quality maritime education and training that respond to the needs of the industry, and in accordance with minimum international maritime standards of competency.

SEC. 8. Right to Relevant Information. – Shipowners, manning agencies, and other organizations responsible for the recruitment and placement of Filipino seafarers shall be mandated to provide seafarers relevant information. This right shall include the right of seafarers organizations to relevant information affecting the terms and conditions of employment of their members.

All ships covered by this Act shall have a copy of the Maritime Labour Convention 2006 and the grievance procedures available on board.

SEC. 9. Right to Consultation. – Seafarers, shipowners and legitimate seafarers' and shipowners' organizations, as well as other relevant stakeholders, shall be adequately consulted before adopting any maritime policy, executive issuance, rule or regulation or in the enactment of any maritime law that may directly affect them or their families and beneficiaries.

SEC. 10. Right Against Discrimination. – Upon employment, seafarers shall have the right against discrimination by sole reason of race, sex, religion and political opinion. Career opportunities shall be promoted and appropriate working and living conditions shall be guaranteed equally among male and female seafarers.

SEC. 11. Right to Free Legal Representation. – Seafarers who are victims of violations of the provisions of this Act and who cannot afford the services of a competent and independent counsel shall have the right to free legal assistance and protection at government's expense subject to existing rules and regulations.

SEC. 12. Right to Access to Communication. – Seafarers, especially during their free time or off-duty shall have reasonable access to ship-to-shore telephone communications, and email and internet facilities, whenever available.

CHAPTER III

SEAFARERS' DUTIES

SEC. 13. Seafarers shall have the following duties:

- (a) To comply with and observe the terms and conditions of the employment contract;
- (b) To abide by lawful and reasonable company personnel policies;
- (c) To be obedient to the lawful commands of the master or the master's lawful successor, and to comply with the shipowner's/principal's policy on safety and operational procedures and instructions given in connection therewith;
- (d) To be diligent in the performance of duties relating to the ship, its stores, equipment and cargo, whether on board, in transit or ashore;
- (e) To be, at all times, orderly and respectful to the shipmates, passengers, shippers, stevedores, port authorities, and other persons who have official business with the ship; and
- (f) To take personal responsibility to be healthy at all times by practicing a healthy lifestyle.

CHAPTER IV

MINIMUM REQUIREMENTS FOR SEAFARERS

SEC. 14. *Minimum Age.* – No person below eighteen (18) years old, other than a cadet, shall be employed, engaged, or otherwise allowed to work on board Philippine registered ships operating domestically or internationally, as well as those on board foreign registered ships.

SEC. 15. *Medical Certificates.* – No seafarer shall be employed, engaged, or otherwise allowed to work on board a domestic or ocean-going ship unless a medical certificate has been issued declaring the seafarer to be fit for work.

The seafarer shall hold a valid medical certificate issued by a medical facility duly accredited by the Department of Health (DOH) in accordance with its existing rules and regulations.

The medical certificate shall certify that the person is expected to be able to meet the minimum requirements for performing the duty specific to the person's post at sea safely and effectively during the period of validity of the certificate.

For the purpose of this section, a medical certificate issued in accordance with the requirements of STCW 1978, as amended, shall be accepted.

SEC. 16. *Training and Qualifications.* – Only seafarers certified by appropriate government agencies shall work, be employed or be engaged on board a ship.

SEC. 17. *Recruitment and Placement.* – Only duly licensed manning or placement and recruitment agencies shall be allowed to operate and engage in the recruitment and placement of seafarers, in accordance with the rules and regulations as may be issued by the Secretary of Labor and Employment.

No amount or fee shall be charged to the seafarer in the recruitment and placement.

SEC. 18. *Contracting or Subcontracting of Services.* – Contracting or subcontracting work arrangement involving seafarers on board domestic ships shall be governed by existing rules and regulations issued by the DOLE.

CHAPTER V

CADETSHIP

SEC. 19. *Applicability.* – The shipboard training of cadets shall be governed by Sections 8, 10, 11, 12, 15, 42 and Chapters VII and IX hereof.

SEC. 20. *Shipboard Training Agreement for Cadets.* – There shall be a written agreement between the shipowner on one hand, and the cadet and the maritime institution or school on the other, which shall include the following information and terms:

- (a) Cadet's full name, date of birth, birthplace and age, which should be at least sixteen (16) years old;
- (b) Name and address of the maritime institution or school;
- (c) Name and address of the shipowner, if applicable;
- (d) Place and date when the cadet's agreement is entered into;
- (e) Capacity in which the cadet is to be trained;
- (f) Amount of the cadet's allowance or stipend, if applicable;
- (g) Required number of hours of training and rest which would not be less than the prescribed hours of work and rest in Section 21 of this Act;
- (h) Duties and responsibilities of the sponsoring company, Maritime Higher Education Institutions (MHEIs), and cadets, as may be provided under the Standard Cadet Training Agreement on Ships Engaged in International Voyage of the Philippine Overseas Employment Administration (POEA); and
- (i) Other benefits in accordance with law, company policy or agreements.

The foregoing agreement shall be in a working language or in English, executed in three (3) original copies before the commencement of the shipboard training. The shipowner, cadet and the maritime institution or school shall each have a signed original of

the agreement and an electronic copy thereof shall be submitted to the DOLE through the Bureau of Working Conditions (BWC). A signed original shall also be made available on board the ship.

MHEIs shall demonstrate that over the last three (3) years, an average of at least sixty percent (60%) of students enrolled in their Bachelor of Science in Marine Transportation (BSMT) or Bachelor of Science in Marine Engineering (BSMarE) programs are able to secure cadet berths in connection with their studies. The Commission on Higher Education (CHED), in coordination with the Maritime Industry Authority (MARINA), shall ensure that only BSMT or BSMarE programs in MHEIs that meet the above requirement are conferred, approved or accredited.

CHAPTER VI

TERMS AND CONDITION OF EMPLOYMENT

SEC. 21. *Standard Employment Agreement for Seafarers.* – There shall be an agreement in writing between the shipowner and the seafarer, which shall include the following information and terms:

- (a) Seafarer's full name, date of birth or age, and birthplace;
- (b) Shipowner's name and address;
- (c) Place where and date when the seafarer's employment agreement is entered into;
- (d) Capacity in which the seafarer is to be employed;
- (e) Amount of the seafarer's salary, and the formula used for calculating the same;
- (f) Hours of work and hours of rest;
- (g) Wages and wage-related benefits, which include the following: overtime pay, holiday pay, premium pay, paid leaves, and 13th month pay, if applicable;
- (h) Social security and welfare benefits;
- (i) Stipulation on repatriation or similar undertakings;
- (j) Separation pay and retirement pay, if applicable;
- (k) Reference to the collective bargaining agreement, if applicable; and
- (l) Other benefits in accordance with law, company policy or agreements.

The foregoing employment agreement shall be in a working language or in English, executed in three (3) original copies before the commencement of the employment. The

shipowner and the seafarer shall each have a signed original of the agreement. A signed original shall be made available on board the ship.

For seafarers on board foreign registered ships, the Philippine Overseas Employment Administration – Standard Employment Contract (POEA-SEC) approved by the DOLE shall be observed.

When there is a collective bargaining agreement, a copy thereof must be maintained on board the ship and readily accessible to the seafarers.

SEC. 22. *Wages.* – Upon the effectivity of this Act, the Regional Tripartite Wages and Productivity Boards shall set the minimum wage rates of the seafarers on board ships engaged in domestic shipping, taking into account the peculiarities of the employment arrangement of seafarers and the criteria as determined pursuant to Republic Act No. 6727, otherwise known as the “Wage Rationalization Act”: *Provided*, That wages for actual work hours and days shall not be lower than the applicable minimum wage rates in the domicile or head office of the employer. Wages shall be paid at least once every two (2) weeks or twice a month at intervals not exceeding sixteen (16) days.

SEC. 23. *Hours of Work and Hours of Rest.* – The normal hours of work of a seafarer shall not exceed eight (8) hours a day. If the seafarer is allowed to work beyond eight (8) hours, the maximum hours of work shall not exceed fourteen (14) hours in any twenty-four (24)-hour period and seventy-two (72) hours in any seven (7)-day period.

The minimum hours of rest for every seafarer shall not be less than ten (10) hours. Hours of rest may be divided into no more than two (2) periods, one of which shall be at least six (6) hours in length, and the interval between consecutive periods of rest shall not exceed fourteen (14) hours.

In exceptional cases, seafarers in watchkeeping duties may be required to work beyond fourteen (14) hours: *Provided*, That the rest period is not less than seventy (70) hours in any seven (7)-day period. This exception shall not be allowed for more than two (2) consecutive weeks. The intervals between two (2) periods of exceptions shall not be less than twice the duration of the exception.

SEC. 24. *Paid Annual Leave.* – Whenever applicable, seafarers shall be paid an annual leave to be calculated on the basis of a minimum of two point five (2.5) calendar days per month of employment.

For ships licensed to engage in domestic shipping, the rules found in Book Three, Chapter III, on “Holidays, Service Incentive Leaves and Service Charges” of the Labor Code of the Philippines shall continue to apply and shall be considered as substantially complying with international standards unless higher annual leave is already provided under the collective bargaining agreement (CBA) or by the shipowner as company practice or policy.

CHAPTER VII

REPATRIATION

SEC. 25. *Seafarers Shall be Entitled to Repatriation.* – All costs related to the repatriation or transport of the personal effects of seafarers shall be borne by, or charged, to the shipowner and the manning agency concerned. The expenses of repatriation shall include the transportation charges, pay and allowances from the moment the seafarers leave the ship until they reach the repatriation destination, the accommodation and food of the seafarers during the journey, and transportation of thirty kilograms (30 kgs) of the seafarers’ personal luggage to the repatriation destination. The primary responsibility to repatriate entails the obligation on the part of the shipowner or manning agency to advance the repatriation and other attendant costs, including plane fare, deployment cost of the principal and immigration fines and penalties, to immediately repatriate the seafarer should the need for it arises, without a prior determination of the cause of the termination of the seafarer’s employment. However, after the worker has returned to the country, the shipowner or manning agency may recover the cost of repatriation from the seafarer if the termination of the employment was due solely to the seafarer’s fault.

SEC. 26. *Emergency Repatriation for Seafarers On board Foreign Registered Ships.* – The Overseas Workers Welfare Administration (OWWA), in coordination with the Department of Foreign Affairs (DFA) and in appropriate situations, with international agencies, shall undertake the repatriation of seafarers in cases of war, epidemics, abandonment of ships by shipowners, disasters or calamities, natural or man-made, and other similar events without prejudice to reimbursement by the responsible shipowner or manning/recruitment and placement agency within sixty (60) days of notice. In such case, the POEA shall simultaneously identify and give notice to the shipowner or agency concerned.

The DFA shall take the lead in the repatriation of the affected seafarers in areas where there are no Philippine Overseas Labor Offices (POLOs).

SEC. 27. *Repatriation for Seafarers On board Domestic Ships.* – The provisions on repatriation shall also apply to seafarers working on domestic ships. Seafarers on board domestic ships shall be entitled to emergency repatriation in cases of war, epidemics, abandonment of ships by shipowners, disasters or calamities, natural or man-made, and other similar events.

CHAPTER VIII

MANNING REQUIREMENT

SEC. 28. *Manning Levels.* – All ships of Philippine registry shall have the required minimum manning levels in accordance with the requirements prescribed by the MARINA.

Every ship shall be manned by a crew that is adequate in terms of size and qualifications taking into account the need to operate the vessel safely and efficiently.

SEC. 29. *Crew Competence.* – The crew members of a ship of Philippine registry shall possess the appropriate certificate of competency, which sets forth their competence to serve and perform the functions involved at the level of responsibility, for the position held, for the type, tonnage, power, means of propulsion, and trading patterns of the ships concerned.

The certificate of competency shall attest to the fact that the seafarer to whom it is issued meets the requirements for service, age, qualification, and examinations for the position held.

SEC. 30. *Registry of Seafarers.* – To better respond to the manning requirements of ocean-going ships of foreign registry, and domestic and ocean-going ships of Philippine registry, the POEA and the MARINA, respectively, shall maintain a registry of all seafarers in the Philippines. The registry shall contain the relevant information or data to promote employment opportunities for seafarers whether on board or ashore, or allow for further training and education to support skills development and competencies of seafarers in order to secure or improve employment opportunities, as may be provided in the implementing rules and regulations (IRR) of this Act.

CHAPTER IX

ACCOMMODATION, RECREATIONAL FACILITIES, FOOD AND CATERING

SEC. 31. *Application.* – The requirements of this chapter for crew accommodation and recreational facilities covering ships of Philippine registry shall be applicable to the following:

(a) All ocean-going ships and domestic ships constructed on or after the date when the Maritime Labour Convention 2006 comes into force;

(b) All second-hand ships, whether ocean-going or domestic, acquired or leased, and entered in the Philippine registry after the entry date into force of the said convention, unless provided exemption by the relevant Philippine government agency; and

(c) All ships constructed prior to the entry into force of the Maritime Labour Convention 2006 which have undergone major or substantial structural alterations after the entry into force of the convention, unless provided exemption by the relevant Philippine government agency.

SEC. 32. *Accommodation Facilities.* – Unless otherwise exempted herein or by appropriate regulations, all ships of Philippine registry shall have safe, decent and adequate accommodations for seafarers taking into account the need to protect the health and safety of seafarers working or living on board.

SEC. 33. *Requirements for Sanitation.* – All ships of Philippine registry shall have sanitation facilities that meet the minimum standards for health and hygiene and are accessible to seafarers on board. The sanitation facilities shall be located at convenient places, allowing for easy access to work stations. Separate facilities shall be provided for male and female crew.

SEC. 34. *Recreational Facilities.* – Unless otherwise exempted herein or by appropriate regulations, all ships of Philippine registry shall have recreational facilities, amenities, and services that are appropriate and accessible to seafarers.

Domestic ships are exempted from this requirement considering the trading patterns and length of voyages of such ship which allow the crew to go home or to have access and make use of comparable facilities on land.

SEC. 35. *Food and Catering.* – The shipowner shall ensure the protection and promotion of health of seafarers. Whenever applicable, shipowners shall ensure that ships serve free food and drinking water of appropriate quality, quantity and nutritional value that adequately cover the requirements of the ship and take into consideration the differing cultural and religious backgrounds of seafarers. All foods and drinks and the preparation

thereof shall be in accordance with the standards of the Sanitation Code of the Philippines and pertinent laws, rules and regulations.

CHAPTER X

HEALTH PROTECTION AND MEDICAL CARE

SEC. 36. *Medical Care On board Ships and Ashore.* – The shipowner shall provide adequate equipment, paraphernalia and medical supplies, including medicines on board, and shall ensure access to shore facilities for the health of seafarers, as well as the corresponding medical or trained personnel who shall provide first-aid and medical care pursuant to the Maritime Occupational Safety and Health Standards and other pertinent laws, rules and regulations.

The shipowner shall ensure that seafarers have access to treatment for sickness or injury, hospitalization and dental treatment.

The seafarer shall have the right to consult a qualified physician or dentist without delay in ports of call, where practicable.

CHAPTER XI

WELFARE AND SOCIAL SECURITY PROTECTION

SEC. 37. *Social Welfare Benefits.* – Without prejudice to established policy, CBA or other applicable social agreement, all seafarers shall be covered by the Social Security System (SSS), Employees' Compensation and State Insurance Fund (ECSIF), Philippine Health Insurance Corporation (PhilHealth), Pag-IBIG Fund, and other applicable laws.

CHAPTER XII

COMPLIANCE AND ENFORCEMENT

SEC. 38. *Compliance and Certification.* – All ships of Philippine registry shall comply with the provisions of this Act. The shipowner or master shall ensure the compliance of the ship with this Act and its IRR.

The shipowner or master, as acting shipowner's representative, shall be made principally liable for any violation of the provisions of this Act and its IRR.

For this purpose, a Maritime Labour Certificate or a Maritime Certificate of Compliance, as applicable, shall be issued in accordance with the IRR of this Act.

SEC. 39. *Inspection and Enforcement.* – For purposes of this Act, the Secretary of Labor and Employment or a duly authorized representative shall have the sole and exclusive authority to inspect all Philippine ships, domestic or ocean-going, to ensure compliance with the provisions of this Act.

The Secretary of Labor and Employment may authorize other government agencies or duly recognized organizations to conduct inspection and issue certification in accordance with the provisions of this Act and its IRR.

Unless directly exercised by the Secretary of Labor and Employment, the duly authorized representative shall have the power to board ships and carry out any examination, test or inquiry which they may consider necessary in order to satisfy themselves that the standards are strictly observed.

The Secretary of Labor and Employment or the duly authorized representative shall have the power to order immediate correction of, and impose fine for violations of the provisions of this Act.

If the violation or deficiency constitutes serious breach of the requirement of this Act and its IRR or poses imminent danger to the ships or to the life or limb of the seafarer, the Secretary of Labor and Employment or the duly authorized representative may order the detention of the ship immediately until the violation or deficiency is corrected.

SEC. 40. *Recognized Organization.* – Recognized organizations may be authorized by the Secretary of Labor and Employment to conduct inspection and issue certification in accordance with the provisions of this Act and its IRR.

A recognized organization shall have the necessary knowledge of the requirements of this Act and its IRR, Maritime Labour Convention 2006, and other relevant international treaty or convention.

A recognized organization shall also have the necessary and qualified professional, technical and support expertise to carry out the conduct of inspection and issuance of certification.

CHAPTER XIII

TERMINATION OF EMPLOYMENT

SEC. 41. *Termination of Employment.*

(a) The employment of Filipino seafarers on board Philippine-registered ships operating internationally as well as those on board foreign-registered ships shall cease when

the seafarers complete their period of contractual service aboard the ship, sign-off from the ship and arrive at the point of hire.

The employment is also terminated effective upon arrival at the point of hire for any of the following reasons:

(1) When the seafarer signs-off and is disembarked for medical reasons in the event the seafarer is declared:

(i) Fit for repatriation; or

(ii) Fit to work, but the employer is unable to find employment for the seafarer on board the former ship or another ship of the employer;

(2) When the seafarer signs-off due to ship's sale, lay-up of ship, discontinuance of voyage or change of ship principal, as provided for in the POEA-SEC;

(3) When the seafarer voluntarily resigns in writing and signs-off prior to the expiration of contract within a reasonable period as may be prescribed in the IRR of this Act; or

(4) When the seafarer is discharged for just causes in accordance with the provisions of the POEA-SEC.

(b) The termination of employment of a seafarer on board domestic ships shall be governed by the provisions of the Labor Code of the Philippines, as amended, on domestic shipping.

(c) The termination of employment of a seafarer on board a foreign vessel or foreign-registered ship shall be governed by the POEA-SEC or applicable CBA.

CHAPTER XIV

SETTLEMENT OF DISPUTES

SEC. 42. *On board and Onshore Grievance Machinery.* — All ships of Philippine registry shall have a fair, effective and expeditious on board and on-shore grievance machinery at no cost to the seafarer in accordance with the IRR of this Act.

In cases where a seafarer is a member of a legitimate trade union organization, any grievance shall, as a condition precedent to conciliation-mediation, undergo the grievance machinery with the involvement of the union as established in the CBA. Without prejudice to any existing law, any agreement reached by the parties during grievance machinery shall be final and binding.

SEC. 43. *Mandatory Conciliation-Mediation and Arbitration.* — Seafarers, whether engaged, employed or working on board ships of Philippine registry or other registries, shall avail of the conciliation-mediation services of the DOLE pursuant to Republic Act No. 10396 and its IRR, by filing a request for assistance before the conciliation-mediation desks at the Regional/Field/Provincial Offices of the DOLE or its attached agencies.

In case of failure of conciliation-mediation in cases where seafarers are covered by CBA, the case shall be submitted for voluntary arbitration in accordance with Articles 261 and 262 of the Labor Code, as amended. In cases where seafarers are not covered by CBA, the seafarer shall have the option to submit the case to compulsory arbitration or voluntary arbitration.

CHAPTER XV

REINTEGRATION FOR OVERSEAS FILIPINO SEAFARERS

SEC. 44. *Reintegration.* — Returning or unemployed overseas Filipino seafarers may avail of the livelihood development, training programs and placement services offered by concerned government agencies, including the OWWA, the Technical Education and Skills Development Authority (TESDA), the Technology and Livelihood Resource Center (TLRC), the Cooperative Development Authority (CDA), the National Maritime Polytechnic (NMP) and the CHED.

These agencies shall formulate skills upgrading or retraining curricula to meet the needs of returning or unemployed seafarers. The participation of the maritime industry, in particular, port and shipping industry, and maritime educational institutions shall be likewise solicited by the DOLE in devising the appropriate retraining and local job placement programs for unemployed seafarers.

The National Reintegration Center for OFWs (NRCO) shall attend to the needs of returning seafarers. The Center shall provide a mechanism for their reintegration into Philippine society, serve as a promotion house for their local employment, and tap their skills and potentials for national development.

CHAPTER XVI

INCENTIVES AND AWARDS GRANTED TO THE MARITIME INDUSTRY

SEC. 45 *Incentives and Awards.* – There shall be established an incentives and awards system for the maritime industry stakeholders which shall be developed and administered by the concerned government agency in consultation with the Maritime Industry Tripartite Council (MITC).

Under such rules and regulations that may be promulgated, deserving shipowners, seafarers, manning and other organizations or entities shall be commended or awarded for their outstanding performance in upholding the rights of seafarers and complying with this Act.

CHAPTER XVII

GOVERNMENT AGENCIES

SEC. 46. *Role of Government Agencies.* – The following government agencies shall perform the following functions to promote the welfare and protect the rights of Filipino seafarers:

(a) Department of Labor and Employment (DOLE). – The DOLE shall ensure that the standards set forth under this Act, Presidential Decree No. 442, as amended, and other laws, the Maritime Labour Convention 2006 and other international treaties and conventions to which the Philippines is a signatory, are faithfully complied with and fairly applied to Filipino seafarers.

To this end, the DOLE shall establish an effective system for the inspection and certification to ensure that the working and living conditions of seafarers are met and continue to be met pursuant to the Maritime Labour Convention 2006.

(b) Department of Foreign Affairs (DFA). – The DFA, through its home offices or foreign posts, shall give paramount importance to the safety and well-being of Filipino seafarers by providing adequate and timely intervention and assistance such as representing their interests with foreign authorities concerned and facilitating their repatriation when they are distressed or beleaguered.

(c) Department of Health (DOH). – The DOH shall regulate the activities and operations of all clinics which conduct medical, physical, optical, dental, psychological and other similar examinations, hereinafter referred to as health examinations, on Filipino seafarers.

The DOH shall determine and prescribe the nature of the medical examination that shall be required of a seafarer, ensuring that such examination will genuinely determine the

seafarer's state of health, considering the duties that the seafarer shall be required to perform on board. The DOH shall likewise prescribe the contents of the medical certificate to ensure that such certification will genuinely reflect the seafarer's state of health.

(d) Philippine Overseas Employment Administration (POEA). – The POEA shall look into and improve on the working conditions and terms of employment of the officers and crew of vessels of Philippine registry, and of such officers and crew members who are Filipino citizens and employed by foreign vessels.

(e) Overseas Workers Welfare Administration (OWWA). – The OWWA, through its welfare officers or coordinating officers, shall provide the Filipino seafarers and their families all the assistance they may need in the enforcement of contractual obligations by agencies and their principals.

The OWWA shall likewise formulate and implement welfare programs for overseas Filipino seafarers and their families while they are abroad and upon their return. It shall ensure the awareness by the overseas Filipino workers and their families of these programs and other related governmental programs.

(f) Maritime Industry Authority (MARINA). – The MARINA shall ensure that all maritime education including the curricula and training programs are structured and delivered in accordance with the written programs, methods and media of delivery, procedures and course materials compliant with international standards as prescribed under the Convention of STCW 1978, as amended.

(g) Philippine Coast Guard (PCG) – The PCG, in line with its function to assist in the enforcement of applicable laws within the maritime jurisdiction of the Philippines, shall assist the DOLE in the enforcement of Department orders and other issuances implementing the Maritime Labour Convention 2006 including orders to detain vessels found in gross violation of pertinent laws, rules and regulations.

Unless otherwise provided in this Act, the mandate, power and function of all existing departments, agencies or instrumentalities of the government, including government-owned or-controlled corporations, shall remain and continue to be recognized in accordance with the law or order creating them.

SEC. 47. *Philippine Seafarers' One-Stop Center (PSOC).* – The PSOC, as established under Administrative Order No. 56, has been tasked to operationalize and make available to the public an integrated document processing center for the seafarers and the

general public to conduct official transactions. The agencies that are mandated to provide services in the PSOC are as follows:

- (a) Department of Foreign Affairs;
- (b) Overseas Workers Welfare Administration;
- (c) Philippine Overseas Employment Administration;
- (d) National Bureau of Investigation (NBI); and
- (e) Philippine Statistics Authority (PSA).

CHAPTER XVIII

FINAL PROVISIONS

SEC. 48. *Administrative Fines and Penalties.* – Any shipowner, master, their representative or other person who fails or refuses to present employment records, such as payrolls, daily time records, payslip or other documents, when required by the Secretary of Labor and Employment, or the duly authorized representative of the Secretary of Labor and Employment, or the duly authorized representative of a recognized organization, shall be subjected to administrative fines and penalties in accordance with the IRR of this Act.

SEC. 49. *Penalties for Violations of Sections 38 and 39.* – Any person who, without proper delegation, exercises the authority granted to the Secretary of Labor and Employment under Sections 38 and 39 of this Act, shall be punished with a fine of not less than one hundred thousand pesos (P100,000.00) nor more than four hundred thousand pesos (P400,000.00), or imprisonment of not less than one (1) year nor more than four (4) years, or both, at the discretion of the court. The offense provided herein shall prescribe after five (5) years from its commission.

SEC. 50. *Transitory Provision.* – All rights, privileges and benefits previously enjoyed by Filipino seafarers before the effectivity of this Act, including those set forth in Presidential Decree No. 442, otherwise known as the “Labor Code of the Philippines”, as amended, and Republic Act No. 8042, otherwise known as the “Migrant Workers and Overseas Filipinos Act of 1995”, as amended, shall continue to be recognized and shall not be diminished.

SEC. 51. *Implementing Rules and Regulations.* – The DOLE, in coordination with the DFA, the MARINA and other concerned agencies shall formulate the rules and regulations of this Act within ninety (90) days after its effectivity.

SEC. 52. *Separability Clause.* – If, for any reason, any section, clause or term of this Act is held to be illegal, invalid, or unconstitutional, such parts not affected by such declaration shall remain in full force and effect.

SEC. 53. *Repealing Clause.* – All laws, presidential decrees, issuances, executive orders, letters of instruction, and rules or regulations inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 54. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,