



**MARITIME AND PORT AUTHORITY OF SINGAPORE
SHIPPING CIRCULAR
NO. 3 OF 2017/REV.3**

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Applicable to: Shipowners, ship managers and operators, agents, masters, chief engineers and seafarers of Singapore-registered ships, classification societies, insurers and the general shipping community

MARITIME LABOUR CONVENTION, 2006 – COMPULSORY FINANCIAL SECURITY REQUIREMENTS RELATING TO REPATRIATION OF ABANDONED SEAFARERS AND WORK INJURY COMPENSATION/REV.3

- *Merchant Shipping (Maritime Labour Convention) Act 2014*
- *Merchant Shipping (Maritime Labour Convention) (Financial Security) Regulations 2017*
- *Merchant Shipping (Maritime Labour Convention) (Forms, Certificates and Fees) Regulations 2014*

Introduction

1. This circular provides information on the Maritime and Port Authority of Singapore's (MPA) requirements to provide compulsory financial security under Section 34A of the Merchant Shipping (Maritime Labour Convention) Act 2014, to meet the requirements of Regulation 2.5 and Regulation 4.2 of the Maritime Labour Convention, 2006 (MLC). This circular is to be read together with MPA Shipping Circular No. 22 of 2016, dated 13 October 2016.

2. Ships as described in Section 3 of the Merchant Shipping (Maritime Labour Convention) Act 2014 (No. 6 of 2014) (MLC ships)¹ will be required, from 18 January 2017, to carry on board certificates attesting that contracts of insurance or other financial security are in place to cover shipowners' liabilities for

¹ This includes MLC ships of less than 500 gross tonnage.

- a. outstanding wages and repatriation in accordance with MLC Regulation 2.5, Standard A2.5.2 and Guideline B2.5; and
 - b. compensation for death or long-term disability in accordance with MLC Regulation 4.2, Standard A4.2 and Guideline B4.2.
3. Where more than one financial security provider provides cover in respect of the MLC ship, the certificates provided by each financial security provider must be carried on board.
4. Shipowners must display copies of such certificates in a conspicuous place on board their MLC ships where it is available to the seafarers.
5. The required information to be set out in such certificates can be found at **Annex A**. The certificates must be in English and if not in English, must be accompanied by an English translation.
6. The certificates of the contracts of insurance or other financial security may be inspected by port State control officers.

Approved financial security providers

7. Shipowners must obtain the contracts of insurance or other financial security for the abovementioned liabilities only from financial security providers that have been approved by MPA. The list of financial security providers that have been approved by MPA can be found at **Annex B**. This list may be revised from time to time without notice.
8. Shipowners must provide copies of the certificates of the contracts of insurance or other financial security to MPA for MPA's records. Scanned or electronic copies of such certificates must be submitted to MPA via email (mmo@mpa.gov.sg) not later than 7 days after the shipowner receives the certificates from the approved financial security provider. Shipowners may wish to arrange for their approved financial security providers to send copies of such certificates directly to MPA. These certificates do not need to be endorsed by MPA.
9. The contract of insurance or other financial security must not cease before the end of its period of validity unless the approved financial security provider has given at least 30 days' prior written notice to MPA. In the event of the above, shipowners are advised to promptly provide a plan to MPA on how financial security for their liabilities will continue to be provided for their seafarers. This plan should also be communicated to their seafarers.
10. Shipowners are advised to have their seafarers name in their seafarer's employment agreement their next of kin, or a representative of the seafarer or designated beneficiary for the purpose of facilitating any claims for the abovementioned liabilities.

Contracts of insurance or other financial security for liabilities relating to compensation for death or long-term disability

11. Shipowners must give at least 30 days' prior notice to their seafarers before the cancellation or termination of any contract of insurance or other financial security relating to compensation for death or long-term disability.
12. The approved financial security provider must notify MPA in writing of any cancellation or termination of any contract of insurance or other financial security relating to compensation for death or long-term disability at least 30 days before such cancellation or termination.
13. A seafarer, or his next of kin, or his representative or designated beneficiary must not be pressured to accept a payment of an amount less than any compensation for death or long-term disability due to the seafarer.
14. Parties to the payment of the compensation for death or long-term disability must use the Model Receipt and Release Form set out in **Annex C**. Shipowners must provide a copy of the signed form to MPA for MPA's records. Scanned or electronic copies of such signed forms must be submitted to MPA via email (mmo@mpa.gov.sg) not later than 30 days after the form has been completed.
15. Shipowners that have obtained contracts of insurance or other financial security from an approved financial security provider relating to compensation for death or long-term disability do not need to obtain separate insurance or other financial security under the Work Injury Compensation Act (Cap. 354).
16. Any queries regarding this circular should be directed to the Seafarers Management Department (Email: mmo@mpa.gov.sg; Tel: +65 6375 6224).

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