



SHIPOWNERS

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▶ IMPORTANT CLARIFICATION OF CERTIFICATION REQUIREMENTS – MARITIME LABOUR CONVENTION 2006 / AMENDMENTS 2014 (MLC)

Reference is made to previous MLC circulars and FAQs and, more recently, the advice and documentation provided on our [Maritime Labour Convention \(MLC\) 2006 Repository](#).

Our Members will be fully aware that as of 18 January 2017, the new requirement for certificates evidencing MLC financial security will need to be displayed for all vessels subject to MLC (“the new financial security certificates”). We are therefore in the process of assisting you with this.

We are aware that the applicable tonnage threshold has been a point of debate. Our interpretation of the MLC is that, logically, the intention behind its drafting is that the new financial security certificates are applicable to vessels of *500 GT or over* engaged in international voyages and *500 GT or over* flying the flag of an MLC Member (State) and operating from a port, or between ports, in another country above, as described in MLC Regulation 5.1.3. Therefore, the new financial security certificates ought not to be applicable to vessels *under 500GT*, other than where a ship owner has voluntarily applied to be subject to the MLC’s provisions with respect to this new certification.

However, we have revisited the issue once again and, whatever the intention may have been, the 2014 MLC Amendments have introduced a measure of ambiguity on this tonnage threshold point. It may be possible for you to check with your relevant flag state to ascertain their expectations with regard to certification for vessels below 500GT. Where the new financial security certificates are required, we invite you to request these from us. It is important to note that there are number of clear exemptions and these are set out in the footnote below.¹

All Members including those Members with vessels *under 500GT* who have not yet requested MLC certificates and our Members who have asked for MLC certification and to whom we may have advised that these were unnecessary, should proceed as follows.

In order to accelerate the new financial security certification process, please click on the following link to our [MLC Repository](#) where you will find our [MLC certificate information request form](#). Please complete, sign, scan and return to your usual contact at the Club.

This form includes an important section dealing with undertakings to be given by our Members to the Club. It also contains a request for additional information necessary in order to provide you with the new financial security certificates. This is because, for many vessels in this tonnage range, we have not historically needed to issue certificates of financial responsibility, such as blue cards. Therefore, we have not captured the information required to date in order to be able to issue certificates of this nature.

For general enquiries on MLC, please contact [Ian Ferns](#). For specific requests for MLC certification please contact your Underwriter.

¹

There is a dispensation for those vessels for which the competent authority has provided an exemption on the basis that it would not be reasonable or practical for that vessel to comply. Note that this is applicable only to vessels under 200 GT not engaged in international voyages (see the MLC – Article II (6)).

Furthermore, Article II, section 1 (i) defines ‘Ship’ for the purpose of the MLC as : *“a ship other than one which navigates exclusively in inland waters or waters within, or closely adjacent to, sheltered waters or areas where port regulations apply”*. Furthermore, Article II section (4) provides: *“Except where otherwise provided, this Convention applies to all ships, whether publicly or privately owned, ordinarily engaged in commercial activities, other than ships engaged in fishing or in similar pursuits and ships of traditional build such as dhows and junks. This Convention does not apply to warships or naval auxiliaries.”*