

TECHNICAL CIRCULAR No. 375 of 07th November 2016

To: All Surveyors/Auditors

Applicable to flag: All Flags

MLC-Financial Security

Reference: MLC 2006

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2014 MLC 2006 Amendments for Seafarer Abandonment.

- Before the 2014 amendment, the issue of repatriation was inspected but not included in Appendix A5-1 (inspected and certificated items). Once the amendment comes into force, January 18, 2017, the Recognized Organization may recommend withdrawal of the MLC certificate to the flag state if the shipowner fails to produce financial security documents to address the requirements of Standard 2.5.2 and 4.2.1.
- During the drafting process, there was concern raised if the ship owner chose to use a financial security scheme that was outside the traditional P&I Club structures. In such a case, the Recognized Organization may request the flag state to confirm acceptance of the certificate of financial responsibility for abandonment.
- January 18, 2017 is the date that all ship must have valid financial certificates if they trade in international waters and sail into MLC 2006 signatory states.
- A ship is considered abandoned in regards to the amendment if:
- 1. Contractual wages have not been paid for a period of at least 2 months, or
- 2. The ship is left without necessary maintenance and support by the owner (food, water, fuel, necessary medical care, etc.), or
- 3. The owner fails to cover the cost of repatriation.

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REFERENCES:

- MLC 2006

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