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MERCHANT SHIPPING
(MARITIME LABOUR CONVENTION) ACT 2014
(ACT 6 OF 2014)

MERCHANT SHIPPING
(MARITIME LABOUR CONVENTION)
(FINANCIAL SECURITY) REGULATIONS 2017

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In exercise of the powers conferred by section 82 of the Merchant Shipping (Maritime Labour Convention) Act 2014, the Maritime and Port Authority of Singapore, with the approval of the Minister for Transport, makes the following Regulations:

Citation and commencement

1. These Regulations are the Merchant Shipping (Maritime Labour Convention) (Financial Security) Regulations 2017 and come into operation on 18 January 2017.

Definitions

2. In these Regulations —

“beneficiary”, in relation to a seafarer, means a person nominated by the seafarer as a beneficiary of the seafarer;

“financial security contract” means a financial security contract for death or long-term disability or a financial security contract for repatriation;

“financial security contract for death or long-term disability” means a contract of insurance or other financial security mentioned in section 34(2) of the Act that is intended to meet any liabilities the shipowner may have to provide compensation in the event of death or long-term disability to seafarers arising from occupational injury, illness or hazard, mentioned in section 34(2)(b)(ii) of the Act;

“financial security contract for repatriation” means a contract of insurance or other financial security mentioned in section 34(2) of the Act that is intended to meet any liabilities the shipowner may have arising from the shipowner’s obligation to repatriate a seafarer, mentioned in section 34(2)(b)(i) of the Act;

“next-of-kin”, in relation to a seafarer, means a person nominated by the seafarer as the seafarer’s next-of-kin;

“representative”, in relation to a seafarer, means a person nominated by the seafarer as a representative of the seafarer.

General requirement of financial security contract

3. A financial security contract must include a condition that the liability of the approved financial security provider under the financial security contract will not cease before the end of the period of validity of the financial security contract without the approved financial

security provider first giving the Director at least 30 days' prior notice in writing of the cessation of liability.

Requirements of financial security contract for repatriation

4. A financial security contract for repatriation must provide —
- (a) that any of the following persons may bring a claim for compensation:
 - (i) a seafarer that the shipowner is obliged to repatriate;
 - (ii) a representative of a seafarer that the shipowner is obliged to repatriate; and
 - (b) that the approved financial security provider must promptly pay to the seafarer, or the representative of the seafarer, all claims arising from the shipowner's obligation to repatriate a seafarer.

Requirements of financial security contract for death or long-term disability

5. A financial security contract for death or long-term disability must provide —
- (a) that any of the following persons may bring a claim for compensation:
 - (i) a seafarer who suffers long-term disability;
 - (ii) a next-of-kin of a seafarer who dies or suffers long-term disability;
 - (iii) a representative of a seafarer who dies or suffers long-term disability;
 - (iv) a beneficiary of a seafarer who dies or suffers long-term disability;
 - (b) that compensation in the event of death or long-term disability to seafarers arising from occupational injury, illness or hazard must be paid —
 - (i) in full; and
 - (ii) without delay;

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- (c) that, where full compensation in the event of long-term disability to a seafarer is difficult to assess by reason of the nature of the disability, interim payments must be made to the seafarer to avoid undue hardship;
 - (d) that the parties to the payment of a claim for compensation under the financial security contract must sign a receipt and release in the form set out in the First Schedule; and
 - (e) that the signed receipt and release must be submitted by the shipowner to the Director not later than 30 days after it has been signed.

Prohibition of certain terms and conditions in financial security contract

6.—(1) A financial security contract must not contain any term or condition —

- (a) that provides that no liability arises under the financial security contract in any of the circumstances set out in paragraph (2);
- (b) that provides that any liability arising under the financial security contract ceases in any of the circumstances set out in paragraph (2);
- (c) that limits or excludes any liability arising from the shipowner's obligation to repatriate the seafarer in accordance with section 23 of the Act;
- (d) that excludes any liability arising from the shipowner's obligation under section 35 of the Act for the costs of medical treatment in respect of any sickness or injury;
- (e) that limits any liability arising from the shipowner's obligation under section 35 of the Act for the costs of medical treatment in respect of any sickness or injury to an amount lower than the minimum compensation payable under section 35(1) of the Act;
- (f) that excludes any liability of the shipowner arising under section 36 of the Act for the loss of wages in respect of any sickness or injury; or

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- (g) that limits any liability of the shipowner arising under section 36 of the Act for the loss of wages in respect of any sickness or injury to an amount lower than the minimum compensation payable in accordance with section 36(2) and (3) of the Act.

(2) The circumstances mentioned in paragraph (1)(a) and (b) are as follows:

- (a) some specified thing being done, or omitted to be done, after the occurrence of the event giving rise to a claim under the financial security contract;
- (b) the shipowner failing to take reasonable care to protect seafarers against the risk of bodily injury or disease in the course of their employment;
- (c) the shipowner failing to comply with the requirements of any written law for the protection of seafarers against the risk of bodily injury or disease in the course of their employment;
- (d) the shipowner failing to keep specified records or provide the approved financial security provider with information from specified records;
- (e) any seafarer employed by the shipowner being engaged in a specified kind or description of work or activity, or being engaged in work or activity under specified conditions relating to the nature, scope, environment, processes or procedures of the work or activity, at the time of the occurrence of the event giving rise to a claim under the financial security contract.

(3) A financial security contract for repatriation must not contain any term or condition —

- (a) that provides that payment of a claim to a seafarer is subject to justification or evidence of entitlement to all claims made by that seafarer; or

(b) that provides that payment of any part of a claim to a seafarer is subject to justification or evidence of entitlement to the whole of that claim.

(4) Any term or condition contained in a financial security contract in breach of paragraph (1) or (3) is to be treated as having no effect.

Pressure to accept payment

7. A shipowner must not exert pressure or undue influence on any person who is entitled to bring a claim for compensation under a financial security contract for death or long-term disability entered into by the shipowner to accept payment of an amount less than the amount due to the person under the financial security contract for death or long-term disability.

Cancellation or termination of financial security contract for death or long-term disability

8.—(1) A shipowner must notify the seafarers to whom a financial security contract for death or long-term disability relates of the cancellation or termination of the financial security contract for death or long-term disability, at least 30 days before such cancellation or termination.

(2) An approved financial security provider must notify the Director in writing of the cancellation or termination of any financial security contract for death or long-term disability, at least 30 days before such cancellation or termination.

Certificate of financial security contract

9.—(1) A shipowner must display, in a conspicuous place accessible to seafarers on board each ship that the shipowner allows to put to sea or remain at sea, a certificate of the financial security contract relating to the ship that complies with paragraphs (3) and (4).

(2) Where there is more than one financial security contract relating to a ship, the shipowner must display the certificate of every financial security contract relating to the ship in accordance with paragraph (1).

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- (3) The certificate mentioned in paragraph (1) must —
- (a) in the case of a financial security contract for repatriation, contain the particulars set out in the Second Schedule; and
 - (b) in the case of a financial security contract for death or long-term disability, contain the particulars set out in the Third Schedule.
- (4) The certificate mentioned in paragraph (1) must be in English or be accompanied by an English translation.

Offences and penalties

10.—(1) A shipowner who contravenes regulation 7, 8(1) or 9(1) or (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$2,000.

(2) An approved financial security provider who contravenes regulation 8(2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$2,000.

Right of recourse not affected

11. Nothing in these Regulations affects any right of recourse that the approved financial security provider may have against any person other than seafarers, the next-of-kin of seafarers, representatives of seafarers and beneficiaries of seafarers.

FIRST SCHEDULE

Regulation 5(d)

FORM OF RECEIPT AND RELEASE

Ship (name, port of registry and IMO number):

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Incident (date and place):

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Seafarer / Seafarer’s legal heir and/or dependant:

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Shipowner:

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I, [Seafarer] [the Seafarer’s legal heir and/or dependant]*, hereby acknowledge receipt of the sum of [currency and amount] in satisfaction of the Shipowner’s obligation to pay contractual compensation for personal injury and/or death under the terms and conditions of [my] [the Seafarer’s]* employment and I hereby release the Shipowner from their obligations under the said terms and conditions.

The payment is made without admission of liability of any claims and is accepted without prejudice to [my] [the Seafarer’s legal heir and/or dependant’s]* right to pursue any claim at law in respect of negligence, tort, breach of statutory duty or any other legal redress available and arising out of the above incident.

Dated:

.....

Seafarer / Seafarer’s legal heir and/or dependant:

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Signed:

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For acknowledgement:

Shipowner / Shipowner’s representative:

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Signed:

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Approved financial security provider:

Signed:

.....

*Delete as appropriate.

SECOND SCHEDULE

Regulation 9(3)(a)

PARTICULARS OF CERTIFICATE OF FINANCIAL SECURITY CONTRACT FOR REPATRIATION

1. Name of the ship.
2. Port of registry of the ship.
3. Call sign of the ship.
4. IMO number of the ship.
5. Name and address of the approved financial security provider.
6. Contact details of the persons or entity responsible for handling seafarers' requests for relief.
7. Name of the shipowner.
8. Period of validity of the financial security.
9. An attestation from the approved financial security provider that the financial security meets the requirements of Standard A2.5.2 of the Convention.

THIRD SCHEDULE

Regulation 9(3)(b)

PARTICULARS OF CERTIFICATE OF FINANCIAL SECURITY CONTRACT FOR DEATH OR LONG-TERM DISABILITY

1. Name of the ship.
2. Port of registry of the ship.
3. Call sign of the ship.
4. IMO number of the ship.
5. Name and address of the approved financial security provider.
6. Contact details of the persons or entity responsible for handling seafarers' contractual claims.
7. Name of the shipowner.
8. Period of validity of the financial security.
9. An attestation from the approved financial security provider that the financial security meets the requirements of Standard A4.2.1 of the Convention.

Made on 17 January 2017.

NIAM CHIANG MENG
Chairman,
Maritime and Port Authority of
Singapore.

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