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MARINE NOTICE 132.3

- To: ALL SHIPOWNERS, MANAGERS, MASTERS, P&I CLUBS, REGISTRATION OFFICERS OF MERCHANT SHIPS AND RECOGNIZED ORGANIZATIONS.
- Subject: MARITIME LABOR CONVENTION 2006, INSPECTION AND CERTIFICATION PROGRAM
- Reference: (1) INTERNATIONAL MARITIME LABOR CONVENTION 2006 (MLC), as amended
 - (2) REPUBLIC OF PALAU TITLE 7 ADMIRALTY AND MARITIME / Chapter 8
 - (3) REPUBLIC OF PALAU MARITIME REGULATIONS / 26-June-2012, Chapter 7 Seafarers and the Maritime Labor Convention
 - (4) REPUBLIC OF PALAU MARITIME REGULATIONS / 26-June-2012, Section 1.5)
 - 1. Purpose
 - 1.1 The Republic of Palau ratified the MLC, 2006 on May 29th, 2012. This Marine Notice establishes the Republic of Palau Maritime Ship Administrator's Inspection and Certification Program to implement the MLC, 2006, which governs maritime labor conditions and sets minimum standards for the working and living conditions of seafarers aboard ships as applicable.
 - 2. Preface
 - 2.1 The ILO's Maritime Labour Convention (MLC), 2006 was adopted on February 23rd, 2006 by the International Labor Organization (ILO) and provides comprehensive rights and protection at work for seafarers. The Convention aims to achieve both decent work for seafarers and secure economic interests in fair competition for quality shipowners. The new labor standards consolidate, and updates more than 68 international labor standards related to the Maritime sector adopted over the last 80 years.



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- 2.2 The Convention sets out seafarers' right to decent conditions of work on a wide range of subject and aims to be globally applicable, it has been designed to become a global instrument known as the "fourth pillar" of the international regulatory regime for quality shipping, complementing the key Conventions of the International Maritime Organization (IMO).
- 2.3 An effective and coordinated system of regular inspections, monitoring and other control measures of ships adopted by the competent authorities in flag States is the primary tool for ensuring that ships meet the requirements of the Convention. The Republic of Palau as a signatory member of the Convention and through the Palau International Ship Registry aims to ensure compliance of the MLC to all Palau registered vessel to which the Convention applies.

3. Applicability

- 3.1 The MLC, 2006 applies to all ships irrespective of tonnage, whether publicly or privately owned, which are "ordinarily engaged in commercial activity". The Maritime Ship Administrator considers "commercial activity" to be any endeavor undertaken for the primary purpose of generating revenue which includes activities such as commerce, trade, chartering, towing, salvage, offshore supply/support, etc.
- 3.2 The MLC 2006 does not apply to:
 - 3.2.1 Ships that navigate exclusively in inland waters or waters within, or closely adjacent to, sheltered waters or areas where port regulations apply.
 - 3.2.2 Ships engaged in fishing and similar pursuits and ships of traditional built such as dhows and juks;
 - 3.2.3 Warships or naval auxiliaries



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- 4. Compliance and Enforcement
 - 4.1 All ships of 500 GRT or over, shall be inspected and certified in compliance with the requirements of the Convention and carry/maintain a Maritime Labour Certificate (ML Certificate) and the Declaration of Maritime Labour Compliance (DMLC) Parts I and II issued in English language.
 - 4.2 Ships of less than 500 GRT to which MLC, 2006 applies are subject to two inspections in a five-year period at intervals not exceeding three (3) years against the same requirements for certified ships. A Maritime Labour Certificate and a DMLC Part I & II are not issued unless the owner chooses voluntary certification, but instead an inspection report is issued to these ships by a Recognized organization (RO) to Palau Flag Administration. Ship-owners of ships of less than 500GT to which the MLC applies will need to contact the RO to arrange for an inspection, which should be similar to MLC inspection on ships of 500 GT and over, but without the DMLC Part I and DMLC Part II.
 - 4.3 For Mobile Offshore Drilling Units (MODUs), Floating production, Storage and Offloading facilities (FPSOs), Floating Storage Units (FSUs) and Self-Elevating Lift-boats, which are not normally engaged in navigation, the provisions of MLC are not applicable, unless the shipowners choose voluntary certification. Application of MLC to Mobile Offshore Accommodation Units and other similar mobile offshore units, such as non-self-propelled accommodation barges, will be considered by this Administration on a case by case basis.

5. Inspections

- 5.1 All inspections shall be carried out in accordance with the ILO document, *Guidelines for Flag State Inspections under the Maritime Labour Convention*, 2006.
- 5.2 An inspector is authorized to carry out any examination, test or inquiry considered necessary to determine that the standards of the MLC, 2006 are being strictly observed, however, at the same time, such examination, test or inquiry will be done in a matter to avoid any unreasonable delay.



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- 6. Initial Inspections
 - 6.1 Initial inspections shall be conducted to ensure compliance with the national requirements implementing the MLC, 2006. Ships shall undergo an initial inspection and receive a valid Maritime Labour (ML) Certificate (or Interim ML Certificate).
 - 6.2 To verify that the national requirements are being complied with and that the ship-owners' measures have been correctly implemented and are being followed, an inspector shall obtain supporting objective evidence by:
 - 6.2.1 inspecting the relevant areas of the ship;
 - 6.2.2 examining further documentation such as passports or other official documents, medical certificates, training records, crew lists and payroll records, seafarer employment agreements, safe manning documents and work and rest schedules; and
 - 6.2.3 Interviewing, in private, a representative number of seafarers, taking account of the need to preserve confidentiality and of the seafarers' work and rest schedules.
 - 6.3 Upon the Inspector finding all ship in compliance with the MLC, 2006 a ML Certificate should be issued. Such certificate should be valid for a period of 5 years. In special cases where an Interim MLC 2006 certificate shall be issue, such certificate will be valid for 6 months and no extension of the 6 months will be granted.
 - 6.4 Prior to the MLC Inspection, the DMLC Part I and Part II shall be reviewed by the Palau Flag Administration or approved Recognized Organization and upon finding it in compliance, the inspection will proceed right after.
- 7. Intermediate Inspection
 - 7.1 Intermediate inspections shall be conducted to ensure continuing compliance with the national requirements implementing the MLC, 2006.
 - 7.2 Intermediate inspections shall be conducted between the second and third anniversary dates of the MLC Certificate.



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- 7.3 The scope and depth of the intermediate inspection shall be equal to an inspection for renewal of the ML Certificate and after the inspection is carry out and found that the vessel continues to be in compliance with the MLC 2006, the inspector shall endorse the certificate accordingly.
- 8. Renewal Inspection
 - 8.1 Renewal inspections shall encompass inspections for all requirements as per initial inspections and the renewed certificate of MLC 2006 shall be valid for a period of 5 years from the date of completion of the inspection.
 - 8.2 The Renewal Inspection shall be carried out at least 3 months before the expiration of the certificate.
- 9. Certification
 - 9.1 ML Certificate
 - 9.1.1 The ML Certificate is issued by the Palau Flag upon the review of the survey reports sent by the Authorized Recognized Organization carrying out the MLC, 2006 inspection. The issuance of the ML Certificate confirms that the vessel is in full compliance with the MLC, 2006, therefore the vessel has satisfactory show that is in compliance with the national requirements for the 16 areas listed below for the implementation of the MLC, 2006 as detailed in the Declaration of Maritime Labour Compliance (DMLC) part I.
 - 9.1.2 A ML Certificate issued must have attached to it a DMLC part I and part II as well as any record of inspection applicable to the vessel.
 - 9.1.3 ML Certificate is to be valid for a period of five (5) years subject to the intermediate inspection.
 - 9.2 DMLC
 - 9.2.1 This document outlines the national laws or provisions that give effect to the 16 areas of the MLC, 2006 that are subject to inspection for certification and the measures put in place by the



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ship owner/operator to ensure compliance with these inspection items.

9.2.2 The DMLC consists of two parts, part I which will be issued by the Palau Flag and part II which is issued by the shipowner.

9.3 DMLC Part I

- 9.3.1 Is a statement drawn up by the Maritime Ship Administrator that references or describes the national laws, regulations or provisions with respect to the 16 areas of the MLC, 2006 that are subject to inspection for certification or verification.
- 9.3.2 The DMLC Part I will also record any flexibility, substantial equivalences or exemptions which may have been applied to the ship after consultation with the relevant seafarer's organization and the shipowner and for which the Administration consents to.
- 9.3.3 Shipowners and Ship managers are encouraged to apply for the DMLC Part I at the earliest.
- 9.3.4 DMLC Part I is to be issued upon receipt of valid Blue Card covering sections 2.5 and 4.2 of the Labour Maritime Convention. Such Blue Cards are to be issued by an approved P&I Club.
- 9.3.5 Upon the expiration or cancellation of the Blue Cards, the P&I and owner/manager should inform this Flag Administrator in order to remove the DMLC Part I until new Blue Cards are submitted, and the DMLC Part I is revalidated.

9.4 DMLC Part II

9.4.1 The DMLC Part II is a statement drawn up by the ship owner/operator identifying the measures adopted to ensure ongoing compliance with the national requirements detailed in the DMLC Part I.



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- 9.4.2 The DMLC Part II shall include measurements to allow continuous improvement between inspections indicating:
 - 9.4.2.1 When ongoing compliance shall be verified;
 - 9.4.2.2 Persons responsible for verification;
 - 9.4.2.3 Records to be taken;
 - 9.4.2.4 Procedures to be followed when non-compliance is noted; and
- 9.4.3. To ensure ongoing compliance, the DMLC Part II shall include general international requirements concerning advances in technology and scientific findings concerning workplace design.
- 10. Interim Verification and Certificate (IMLC)
 - 10.1 An Interim Verification and Interim MLC Certificate (IMLC) should be issued only to and when:
 - 10.1.1 To new ships on delivery;
 - 10.1.2 When a ship changes flag to the Republic of Palau;
 - 10.1.3 When a shipowner assumes the responsibility for the operation of a ship which is new to that shipowner.
 - 10.1.4 The IMLC should be valid for a period not exceeding 6 months and cannot be extended under any circumstances.
 - 10.2 An IMLC can be issued once the following has been verified:
 - 10.2.1 The Ship has been inspected as far as reasonable and practicable in the 16 areas specified in the MLC, 2006.
 - 10.2.2 The Shipowner has demonstrated to the RO that the ship has adequate procedures to comply with the MLC, 2006;
 - 10.2.3 The Master is familiar with the MLC, 2006 and the responsibilities for implementation; and
 - 10.2.4 A DMLC need not be issued for the period of validity of the IMLC.







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11. Certificate Format

- 11.1 The Flag Administration will develop the ML template and the Recognized Organization shall develop a template for the IMLC Certificates. Both Certificates, the MLC and the IMLC shall be developed following the model prescribed by the MLC, 2006.
- 11.2 If the DMLC part II should be presented in English and kept onboard the vessel.
- 11.3 The DMLC (PART I and II), ML and IMLC Certificates should be kept onboard and be readily available to the seafarers onboard.
- 12. Non-Certified Ships
 - 12.1 All ships to which the MLC, 2006 applies, regardless of whether they are required to carry a ML Certificate, shall comply with the national laws and provisions specified in the DMLC Part I and shall be subject to inspection verifying that the requirements are met as required by the MLC, 2006. Ships that do not need to be certified, can request voluntary certification subject to the verification of compliance necessary for certification.

13. Invalidation

- 13.1 An ML or IML Certificate will become invalid if:
 - 13.1.1 The relevant inspections are not carried out within the time period;
 - 13.1.2 The certificates are not endorsed by the RO.
 - 13.1.3 When a ship changes flag;
 - 13.1.4 When a shipowner ceases to assume the responsibility of a ship, and
 - 13.1.5 When substantial changes have been made to the structure or equipment covered in the title 3 of the MLC, 2006"Accommodation, Recreational Facilities, Food and Catering"
 - 13.1.6 The Blue Cards covering the Sections 2.5 and 4.2 of the Convention are cancelled or expired without subsequent renewal.
- 14. Deficiencies and Certificate Withdrawal
 - 14.1 A recognized RO or authorized inspector shall require the rectification of deficiencies in seafarer's working and living conditions that have been identified as the result of an inspection and shall carry out inspections in this regard at the request of a port State. When the Inspector or RO on behalf of the Palau Flag believes that are serious deficiencies to the MLC, 2006 the inspector shall, with



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the authorization of the Administrator, prohibit a ship from leaving port until necessary corrective actions are taken.

- 14.2 An ML Certificate or IMLC shall be withdrawn by the RO or the Administrator if there is evidence that a ship does not comply with the requirements of the MLC, 2006.
- 14.3 If the Administrator receives a complaint together with evidence that a ship does not conforms to the requirements of the MLC, 2006, including the cancellation or expiration of Blue Cards covering sections 2.5 and 4.6 of the Convention or that there are serious deficiencies in the implementation of the DMLC Part I and II, the Administrator shall request the withdrawal of the IMLC or ML Certificate accordingly. Furthermore, a monetary penalty up to 5,000 USD may be imposed to the Owner.
- 15. Seafarer's Complain
 - 15.1 The Shipowner should provide a fair procedure for the receipt of complains from the seafarer's onboard the vessel. The Shipowner should review the complains and address them accordingly and with no delay to Palau Flag Administration:

E-mail: <u>seafarers@palaureg.com</u> Phone: +30 2104293500

- 16. Penalty for Non-Compliance
 - 16.1 In the event of failure to comply either with the requirements of "*MLC 2006, as amended*", or any of the Regulations under Chapter 7 of the "*Republic of Palau Maritime Regulations*", or the requirements of the present Marine Notice, the Ship Registry Administrator may suspend or revoke a vessel's Certificate of Registry and (or) impose a monetary penalty up to 5,000 USD on the Owner, and (or) set such other conditions as may be necessary to bring about compliance with any Code or Agreement, subject to Maritime Labor Convention, which the Republic of Palau may adopt in the future.
 - 16.2 The ship-owner or Master or a crew member of a ship shall be liable for the following penalties:
 - 16.2.1 A Ship-owner or Master, who contravenes the Republic of Palau Maritime Regulations, chapter 7, requirements subject to MLC, is guilty of an offence, punishable on summary conviction by a fine of not less 2.500 USD and not more than 5.000 USD.



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- 16.2.2 A chief engineer or a member of the crew who contravenes the same as above Regulations is guilty of an offence, punishable on summary conviction by a fine of not less 100 USD and not more than 5.000 USD.
- 16.2.3 In addition to the above defined penalties, PISR in certain cases may withdraw, cancel or suspend certificates issued to seafarers found guilty of non-compliance with the same regulations.
- 16.2.4 It is a defense for a person charged with an offence under this section, that this person took all reasonable steps to avoid commission of the offence.
- 16.2.5 An appeal against a decision which is related to the present paragraph 16 shall be examined by a Tripartite Committee consisting by a person of PISR Administration, a person representing the industry and a person representing the Seafarers.

**This Marine Notice supersedes Marine Notice 132.2

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