

The image features large, three-dimensional metallic letters spelling 'CLYDE & CO' arranged on a stone ledge. The letters are highly reflective and have a brushed metal finish. The background consists of vertical grey panels. The overall scene is lit from the left, creating strong highlights and shadows.

CLYDE & CO

THE MLC
- Introduction and CP Issues

GETTING TO GRIPS WITH THE MARITIME LABOUR CONVENTION

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October 2013

Introduction

- Overview of the MLC
- Potential charterparty issues:
 - Time Charter; and
 - Voyage Charters
- Who pays
- Possible solutions

Maritime Labour Convention 2006

Singapore a party – MLC in force

The Fundamentals

- Seafarer
 - Any person who is engaged in or works in any capacity on board a ship.
- Ship owner.
 - Ship owner or another organisation such as manager, agent or bareboat charterer who has assumed the responsibility for the operation of the ship from the owner and who has agreed to take on the duties and responsibilities under MLC.
- National Implementation
 - National laws / “Substantial equivalence”

Maritime Labour Convention 2006

- **Minimum requirements**

- Conditions of employment / accomodation / recreation / food medical / etc.

- **Financial Security**

- Abandonment

P&I ? Other ?

- Injury or Death

Maritime Labour Convention 2006

Compliance and Enforcement

- Certification
- Flag state
- Port state control
 - All vessels (“**No more favourable treatment**”)
 - Inspection
 - Detailed inspection
 - Detention
 - Next port

Maritime Labour Convention 2006

SOLUTIONS

- Documentation in order
- Effective Complaints Procedure
- Check your Charterparty Terms

THE ISSUE

PORT STATE CONTROL INSPECTION

NO MORE FAVOURABLE TREATMENT

- Delay
- Fines
- Detention

Potential Problem Clauses

Time Charters. e.g. SHELLTIME 4:

SEAWORTHINESS

Owners obligation - (absolute or due diligence) to provide a seaworthy vessel.

e.g. SHELLTIME 4: 1(c) ; 1(g)

“1(g) she shall have on board all certificates, documents and equipment required from time to time by any applicable law to enable her to perform the charter service without delay,...”

- Reduced hire under cl. 3(b)

Potential Problem Clauses

Time Charters.

DEFICIENCY OF CREW

Owners obligation to provide full compliment of officers and crew:

e.g. SHELLTIME 4:

“2. (a) At the date of delivery of the vessel under this charter and throughout the charter period:

(i) she shall have a full and efficient complement of master, officers and crew for a vessel of her tonnage, who shall in any event be not less than the number required by the laws of the flag state and who shall be trained to operate the vessel and her equipment competently and safely;...”

- Reduced hire under cl. 3(b)

Potential Problem Clauses

Time Charters.

DUTY TO MAINTAIN VESSEL

Due Diligence

- 3(c) - Charterers notice in writing; 30 days to remedy or off hire

- 3(d) – If the vessel fails a PSC inspection owners must notify charterers

- 3(e) - If the problem prevents normal commercial operations, the vessel could again be off hire

Potential Problem Clauses

Time Charters.

TERMINATION

e.g. SHELLTIME 4:

“3(f) Furthermore, at any time while the vessel is off-hire under this Clause 3 (with the exception of Clause 3(e)(ii)), Charterers have the option to terminate this charter by giving notice in writing...”

TIME ADDED TO CP PERIOD

e.g. SHELLTIME 4:

“4(b) Any time during which the vessel is off-hire under this charter may be added to the charter period in Charterers’ option...”

And cl. 21 (e)

Potential Problem Clauses

Voyage Charters.

SEAWORTHINESS

Owners under same obligations to make vessel seaworthy.

DEMURRAGE

Not if delay due to fault of shipowner – e.g. for failing PSC inspection

WHO PAYS?

1. **Direct Costs of implementing MLC**

- Management time
- Additional Crew ?
- On Better Terms
- Additional Insurances.

2. **Under Existing Charterparties**

- Cannot increase hire
- fines, delays, detentions
- Damages for breach / Off Hire
- CPs terminated or extended

WHO PAYS

- Shipowner is the party ultimately responsible for MLC compliance but what if fine, detention etc is due to Charterers' employees or servants
- Shipowner or Charterer responsibility?
 - Stevedores
 - Pilots
 - Surveyors
 - Supernumeraries

POSSIBLE SOLUTIONS

- **Change Flag State to None ratifying state?**
 - Principal of “No More Favourable Treatment”
 - So No
- **Change CPs to allocate risk**
 - **BIMCO**
 - Concerns already addressed to BIMCO, particularly over MLC definition of ‘seafarer’
 - BIMCO Working Group formed
 - Recommended clauses published June 2013
 - SUPPLYTIME

BIMCO CLAUSE

1. Defines MLC.
2. Defines Charterers' Personnel.
3. Owners to provide copy of DMLC Pt 1 to Charterers.
4. Charterers responsible for ensuring compliance as applicable to the Vessel and as it may apply to the Charterers' Personnel.
5. Charterers on request to provide evidence of compliance.
6. Charterers indemnify Owners.
 - **Designed for offshore vessels but can be adapted; or**
 - **BIMCO ISP Wording.**

DIALOGUE

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