



Philippine  
Overseas  
Employment  
Administration

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**MEMORANDUM CIRCULAR NO. 07**  
Series of 2017

**TO :** ALL POEA LICENSED MANNING AGENCIES, SHIPOWNERS,  
AND PRINCIPAL/EMPLOYERS WITH FOREIGN FLAG SHIPS

**SUBJECT :** Compliance with amendments to the Code implementing  
Regulations 2.5 and 4.2 and appendices of the Maritime Labor  
Convention, 2006 on Financial Security for Foreign Flag Ships

The amendments to the Code implementing Regulations 2.5 and 4.2 and appendices of the Maritime Labour Convention, 2006 (MLC, 2006) adopted by the Special Tripartite Committee on 11 April 2014, mandate the provision of an expeditious and effective financial security system to assist seafarers in the event of their abandonment and to assure compensation for contractual claims in the event of the death or long-term disability of seafarers due to an occupational injury, illness or hazard.

The financial security may be in the form of a social security scheme or insurance or a national fund or other similar arrangements. Foreign flag ships enrolled by the POEA shall carry on board the valid certificates or other documentary evidence of financial security issued by the financial security provider as required by the national laws and regulations of the flag State. Each copy/copies of the certificates or other documentary evidence of financial security covering abandonment and compensation for contractual claims, respectively, should be posted in a conspicuous place on board where it is available to the seafarer. Where more than one financial security provider provides cover, the document provided by each provider shall be carried on board.

In connection with the above, licensed manning agencies requesting for enrollment of foreign flag ship shall be required to submit a copy/copies of the certificate of financial security or other documentary evidence of financial security covering abandonment and compensation for contractual claims, respectively, issued to the shipowners of the ship. The certificates or other documentary evidence of financial security shall contain the information required in Appendices A2-I and A4-I of MLC, 2006 to show proof of compliance by the shipowner with the amendments.

For the existing enrolled vessels, the licensed manning agencies shall submit within sixty (60) days from the effectivity of this Memorandum, a copy/copies of the aforementioned certificates of financial security or other documentary evidence. Otherwise, the processing of request for crewing for the subject vessel/s without the said valid certificates shall not be allowed.

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BY CRD ON 25 AUG 2017

For new building vessels, the licensed manning agency shall either issue:

- A. An Affidavit of Undertaking to submit to the Seabased Employment Accreditation Division, a copy/copies of the valid certificates of financial security or other document, provided by the shipowner or principals, or P&I of the vessel within sixty (60) days after vessel's delivery and a corresponding Affidavit of Assumption of Responsibility for the deployed seafarers in relation to the items required to be covered by the financial security, shall likewise be issued by the manning agency, or
- B. A copy of the valid certificates of financial security or other documents.

The financial security shall not cease before the end of the period of validity of the financial security unless the financial security provider has given prior notification of at least 30 days to the competent authority of the flag State. The principal and the licensed manning agency shall execute an Affidavit of Undertaking ensuring the continuing validity of the financial security coverage of the crew.

Assistance provided by the financial security system shall be granted promptly upon request made by the seafarer or the seafarers' nominated representative and supported by the necessary justification of entitlement in accordance with Paragraph 2 of Standard A2.5.2 and meet the requirements on compensation for contractual claims under A4.2.1.

The provisions of Part III (Placement by the Private Sector), Part V (Recruitment Violations and Disciplinary Actions Cases) of the 2016 POEA Revised Rules and Regulations Governing the Recruitment and Employment of Seafarers, and other pertinent issuances shall apply for failure to comply with this Memorandum Circular.

This Memorandum Circular shall take effect fifteen (15) days after publication in a newspaper of general circulation and filing with the Office of the National Administrative Register.

For strict compliance.

  
**BERNARD P. OLALIA**  
Undersecretary and Officer-In-Charge

\_\_\_\_\_ 2017

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BY CRD ON 12.5 AUG 2017