#### EXPLANATORY MEMORANDUM TO

# THE MERCHANT SHIPPING (MARITIME LABOUR CONVENTION AND MISCELLANEOUS AMENDMENTS) REGULATIONS 2025

# 2025 No. [XXXX]

#### 1. Introduction

- 1.1 This Explanatory Memorandum has been prepared by Department for Transport and is laid before Parliament in accordance with the Retained EU Law (Revocation and Reform) Act 2023.
- 1.2 This memorandum contains information for the Sifting Committees.

#### 2. Declaration

- 2.1 Mike Kane MP, Parliamentary Under Secretary of State at the Department for Transport, confirms that this Explanatory Memorandum meets the required standard.
- 2.2 Lars Lippuner, Director for UK Customer Services at the Maritime and Coastguard Agency, an Executive Agency of the Department for Transport, confirms that this Explanatory Memorandum meets the required standard.

#### 3. Contact

3.1 Sophie Peacey at the Maritime and Coastguard Agency can be contacted by email at the following address with any queries regarding the Instrument: mlc@mcga.gov.uk Alternatively, the department can be contacted by telephone: 07789 481269.

#### Part One: Explanation, and context, of the Instrument

#### 4. Overview of the Instrument

#### What does the legislation do?

4.1 This Instrument makes miscellaneous amendments in various Merchant Shipping legislation in order to implement recent amendments to the Maritime Labour Convention. This Instrument also revokes assimilated law in a number of other instruments to omit United Kingdom government ships from their scope.

#### Where does the legislation extend to, and apply?

- 4.2 The extent of this Instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is England and Wales, Scotland and Northern Ireland.
- 4.3 The territorial application of this Instrument (that is, where the instrument produces a practical effect) is England and Wales, Scotland and Northern Ireland, and with respect to sea-going United Kingdom ships wherever they are in the world, and seagoing non-United Kingdom ships while they are in United Kingdom waters.

#### 5. Policy Context

#### What is being done and why?

- 5.1 During the COVID-19 pandemic seafarers were required to carry on working to deliver essential supplies, while travel restrictions and border controls designed to contain the pandemic meant they sometimes had to stay on board the ship for many months longer than expected. In some cases, this deprived seafarers of their statutory rights to medical care and to shore leave. The impacts on seafarers around the world between 2020 2021 were brought to the attention of the International Labour Organization (ILO) and on 6th June 2022, a total of eight amendments to the Maritime Labour Convention (MLC) were approved by the 110th session of the International Labour Conference. The MLC amendments came into force internationally on 23rd December 2024.
- 5.2 Four of those MLC amendments are implemented domestically by this Instrument, including the placing of a duty on shipowners to ensure that seafarers on ships have access to social connectivity on board and ensuring that they have access to a balanced diet for the period of their engagement. Another amendment provides that a ship's financial security documents, which the MLC requires to be provided by the shipowner, may be held in the name of the registered owner of the ship if the registered owner is different to the shipowner.
- 5.3 Finally, an MLC amendment is being implemented to create a new responsibility for employment agencies or businesses that recruit seafarers to inform seafarers before they join a ship about their rights to compensation if the agency, business or shipowner fails to meet their financial obligations under the seafarer's employment agreement.
- 5.4 The amendment to the Merchant Shipping (Maritime Labour Convention) Minimum Requirements for Seafarers etc.) Regulations 2014 (SI 2014/1613) ("the Minimum Requirements Regulations") will help to improve social connectivity and reduce the isolation that many seafarers feel when at sea for months at a time. Limited social connectivity has been cited as having a negative impact on the mental health and wellbeing of seafarers in many seafarer surveys and is regularly reported on in the Seafarers Happiness Index.<sup>1</sup>
- 5.5 Significant variations in the provision of food and drink across the international shipping industry led to the MLC amendment requiring shipowners to provide a diet for seafarers on board their ships which is nutritionally balanced, as well as adequate and varied. This is also being implemented by amendment to the Minimum Requirements Regulations.
- 5.6 The MLC requires shipowners to hold financial security to provide for repatriation of seafarers and compensation for occupational illness, injury or death. This requirement has been in place for some time but internationally some practical and legal challenges have emerged in relation to the name on the financial security certificates issued by a provider of such services. A "shipowner" for the purposes of the MLC is the person who is operating the ship and is therefore responsible for the living and working conditions of the seafarers. It is common in the maritime industry for a shipowner to be a different person to the registered owner of the ship. A registered owner is the person listed on the ships registration document and who is often the holder of the protection and indemnity insurance for the ship, including the financial

<sup>&</sup>lt;sup>1</sup> Further information is available via https://www.seafarershappinessindex.org.

- security certificate. This has led to some shipowners being found to be non-compliant with the financial security certificate requirement of the MLC because that document is held by the registered owner. The MLC has been amended so that the compliance requirements are met if the name on the certificate is that of the shipowner or of the registered ship owner.
- 5.7 The new requirement that seafarers are made aware of their rights under a compensatory system of protection against loss of earnings or other financial loss before they join a ship if they have been recruited or placed via a recruitment and placement service is achieved by way of amendment to the Merchant Shipping (Maritime Labour Convention) (Recruitment and Placement) Regulations 2014 (S.I. 2014/1615) ("the Recruitment and Placement Regulations"), which implemented the original system of protection in United Kingdom law. The amendment makes this a legal obligation.
- 5.8 Two of the MLC amendments not being implemented by this Instrument include provisions which are already in force in United Kingdom legislation: a requirement for personal protective equipment to be provided which properly fits the user, and for drinking water to be provided free of charge. These requirements are contained in the Merchant Shipping and Fishing Vessels (Personal Protective Equipment) Regulations 1999 (S.I. 1999/2205), regulation 6(2)(c) and the Minimum Requirements Regulations, regulation 34(2), respectively.
- 5.9 The remaining two MLC amendments that are not implemented in this Instrument relate to information to be provided about when access to medical care ashore must be provided, and to a requirement on governments to facilitate the repatriation of seafarers including the remains of a seafarer who has died. These requirements reflect existing UK practice and further domestic legislation is not required.
- 5.10 A number of Merchant Shipping Regulations are being amended by this Instrument to disapply them in relation to government ships as set out in paragraphs 6.5 to 6.7. These amendments are not expected to have any practical impact on stakeholders.

#### What was the previous policy, how is this different?

- 5.11 The regulations on crew accommodation included in the MLC cover all aspects of life for seafarers on board (as life on ships was twenty years ago). It was given effect in United Kingdom law by the Minimum Requirements Regulations. Shipowners were required to make provision for recreation, with supporting guidance referring to telephone communications and email and internet "if available at reasonable charges." In the intervening years, shipping has become more digitalised with computer systems containing all reference information and instruction through the ship's safety management systems. Provision for communication and internet access has focussed largely on operational and commercial requirements for the ship. However, globally the world of personal finance, entertainment and personal communication has advanced to being largely conducted digitally. This has led to an increased demand for seafarers to have social connectivity for social use.
- 5.12 The regulation on food and catering covered the basic requirements for the provision of food and water whilst on board, including a nutritious and varied diet. The inclusion of provision for a balanced diet highlights that it is the combination of types and content of food and drink that improves the conditions of seafarers on board.
- 5.13 While United Kingdom policy has been to accept evidence of financial security for MLC requirements in the name of the registered owner of the ship, the changes to the Minimum Requirements Regulations make it clearer in the legislation that the

- documentary evidence provided may be in the name of the shipowner or the registered owner if that is different from the owner.
- 5.14 Existing policy requires employment agencies and businesses operating as recruitment and placement services for seafarers to have a system of protection, in the form of insurance or an equivalent appropriate measure, to compensate the seafarer for monetary loss which the seafarer may incur. This loss may be because of the failure of the employment agency, employment business or shipowner to meet its obligations to the seafarer. While it may be implied that seafarers should be made aware of the system of protection in place for their benefit, this was not explicit in the Recruitment and Placement Regulations. This Instrument introduces an explicit requirement that the seafarer be notified of their rights under this system of protection by the employment agency or businesses operating as recruitment and placement services for seafarers.
- 5.15 Other amendments are made by this Instrument to address anomalies which have occurred as a result of the United Kingdom's exit from the European Union or deal with consequential matters. These are explained further in Section 6.

## 6. Legislative and Legal Context

#### How has the law changed?

- 6.1 The MLC came into force internationally on 20th August 2013. The United Kingdom ratified the MLC on 7th August 2013 and legislation implementing its requirements came into force on 7th August 2014. The MLC was designed to be reviewed and updated regularly to meet the changing needs of seafarers in the shipping industry. It has been updated four times (in 2014, 2016, 2018 and 2022) and this Instrument implements the latest (2022) amendments, approved by the 110th session of the International Labour Conference on 6th June 2022.
- 6.2 This Instrument amends the Minimum Requirements Regulations to include a requirement for social connectivity on all ships, and it enhances the requirements relating to food and catering to include the mandatory provision of a balanced diet. This Instrument also amends Schedule 3 to the Minimum Requirements Regulations to ensure that the evidence of financial security document can name the "registered owner" if that person is different to "the shipowner".
- 6.3 The Recruitment and Placement Regulations are also amended to place a duty on employment agencies and employment businesses to inform seafarers of their rights under the system of protection in place for seafarers.
- 6.4 The amendments referred to in paragraphs 6.1 to 6.3 are being made under powers in the section 85 and 86 of the Merchant Shipping Act 1995 as they relate to health and safety matters.
- 6.5 The original instruments implementing MLC obligations into UK law also implemented EU obligations relating to seafarer living and working conditions. Powers from, section 2(2) of the European Communities Act 1972 (ECA) were relied on to implement those aspects of the MLC into UK law where there were no alternative domestic regulation making powers to do so. Consequently, in this Instrument the amendments in relation to government ships in various Merchant Shipping instruments, are being made under powers in the Retained EU Law (Revocation and Reform) Act 2023 ("the 2023 Act") to revoke, assimilated law or permit consequential amendments to be made.

- 6.6 In implementing the requirements under the MLC, the UK instruments also applied the requirements to State operated ships except for those ships on non-commercial government service. The legislation applied to both United Kingdom and non-United Kingdom State owned ships while in United Kingdom waters, and in both cases while on commercial service. In fact, no United Kingdom government ships in commercial service were in operation at the time that those instruments were made and that remains the case today. United Kingdom government ships which are not in commercial service (such as those operated by the Ministry of Defence or Home Office) are surveyed and inspected through internal government mechanisms.
- 6.7 The implementation of requirements in relation to government ships was achieved through the power in section 2(2) of the ECA This was because the alternative regulation making powers in the Merchant Shipping Act 1995 ("the 1995 Act") (for example, the safety powers under sections 85 and 86) were not available without registering specific ships pursuant to Orders in Council made under section 308 of that Act; there would have been no basis for making such Orders in Council as no such government ships were operating on commercial service at that time. Although the provision in each instrument relating to UK government ships on commercial service could remain unamended, if it became necessary after 23rd June 2026 to amend or revoke such provision, there is no extant power in Merchant Shipping legislation to do so and because the power in section 2(2) of the ECA was repealed under section 1 of the European Union (Withdrawal Act) 2018. The Department is therefore relying on powers contained in the 2023 Act to revoke provisions in relation to government ships now in the relevant legislation being amended by this Instrument. If it is necessary to make specific provisions in relation to United Kingdom government ships in commercial use in the future, the Department will do so by making an Order in Council under section 308 of the 1995 Act.
- 6.8 The instruments amended by this Instrument do not affect the application of those (amended) instruments to ships on commercial service operated by other States and those ships may still be subject to port State control inspections in the United Kingdom, although such inspections are extremely rare.
- 6.9 This Instrument makes consequential amendments to the Merchant Shipping (Fees) Regulations 2018 (the "Fees Regulations") under section 302 of Merchant Shipping Act 1995 in order to ensure that amendments to relevant Regulations made by this Instrument are reflected in the Fees Regulations.

#### Why was this approach taken to change the law?

6.10 This is the only possible approach to make the necessary changes to implement the amendments to the MLC. The United Kingdom has implemented the MLC through legislation and must update the relevant implementing legislation to take account of the changes to the MLC and to discharge its obligations under the convention in its current form.

# 7. Consultation

#### Summary of consultation outcome and methodology

7.1 A public consultation ran for six weeks from 11th December 2024 to 22nd January 2025.<sup>2</sup> Twenty-five responses were received, around half of these were from

 $<sup>^2\</sup> Available\ from\ -\ \underline{https://www.gov.uk/government/consultations/consultation-on-implementation-of-the-mlc-2006-amendments-2022}$ 

- recruitment and placement service providers, three responses were from Recognised Organisations and three more were from members of the United Kingdom Tripartite Working Group.
- 7.2 The comments were taken into account when finalising both the legal provisions and supporting guidance. These responses broadly supported the changes that were proposed. The seafarer representative responses supported the amendments but raised concerns about the cost of the social connectivity provisions to seafarers as there is no mandatory provision to limit fees for social connectivity. Shipowner representative responses supported the amendments but raised concerns on the availability of social connectivity when outside of the shipowner's control. Concerns were raised by multiple recruitment and placement services, primarily serving the superyacht industry, on the changes to the system of protection, citing lack of suitable insurance providers as a key concern. However, these concerns relate to the underlying existing requirements of the Merchant Shipping (Maritime Labour Convention) (Recruitment and Placement) Regulations 2014 and are being addressed separately through the United Kingdom Tripartite Working Group.
- 7.3 The MCA chairs the United Kingdom's Maritime Labour Convention Tripartite Working Group (MLC TWG), the membership of which includes the United Kingdom Chamber of Shipping, representing shipowners, and Nautilus International and the National Union of Rail, Maritime and Transport Workers, representing seafarers. In advance of approval of the MLC amendments at the ILO, the MCA discussed the proposed amendments MLC through the MLC TWG. Discussions with the MLC TWG took place on the implementation of the amendments. Generally, new requirements relating to crew accommodation are not applied retrospectively to vessels built before the requirement came into force. This is to avoid the need to retrofit existing ships, which can be very expensive and have unintended consequences. However, in this case, the MLC TWG took the view that the requirement for social connectivity, which as part of the recreational provisions, falls under crew accommodation within the MLC, should apply to both new ships and existing ships. This Instrument therefore includes this requirement.

## 8. Applicable Guidance

- 8.1 Guidance to shipowners on the new requirements is contained in Marine Guidance Note (MGN) 706<sup>3</sup>. Several Merchant Shipping Notices and Marine Guidance Notes have also been updated to reflect the changes in the requirements.
- 8.2 The Guidance has been discussed with the Maritime Labour Convention Tripartite Working Group (see paragraph 7.2 of this Explanatory Memorandum).
- 8.3 Guidance for shipowners on providing appropriate food on board, including ensuring a balanced diet is available in Merchant Shipping Notice (MSN) 1845(M)<sup>4</sup>.

<sup>&</sup>lt;sup>3</sup> Note for the Sifting Committees; the guidance is being developed and a link will be included in the final version of the EM.

<sup>&</sup>lt;sup>4</sup> Note for the Sifting Committees; the guidance is being developed and a link will be included in the final version of the EM.

- 8.4 Guidance for recruitment and placement services, including the requirement to inform seafarers of their rights under the system of protection is available in Merchant Guidance Notice MGN 475(M)<sup>5</sup>.
- 8.5 Guidance on internet provision and social connectivity is published in Merchant Guidance Notice (MGN) 707 (M)<sup>6</sup>.
- 8.6 Guidance on medical care which did not require legislative implementation has been updated and contained in Merchant Guidance Notice (MGN) 482

#### Part Two: Impact and the Better Regulation Framework

# 9. Impact Assessment

9.1 A full Impact Assessment has not been prepared for this Instrument because there is a low level of impact per business, significantly below the £10m threshold for publication of an impact assessment. Instead, internal analysis has been conducted and has found that the impacts and potential compliance costs arising from this Instrument are low.

#### Impact on businesses, charities and voluntary bodies

- 9.2 The impact on business, charities or voluntary bodies is low with an annual net direct cost to business of £2.6m. The main costs are familiarisation costs to firms and seafarers for the new regulatory documents that they need to read, and the benefits comprise the emotional and mental wellbeing of seafarers due to enhanced social connectivity enabled by internet provision daily.
- 9.3 The legislation does impact small or micro businesses.
- 9.4 However, in general the smallest companies are expected to operate smaller vessels operating close to shore, where seafarers have regular access to social connectivity through mobile phone networks and land-based facilities. No exemptions have been adopted for small or micro businesses. Seafarers should have the right to expect compliance with minimum global standards for living and working conditions, regardless of the size of their employer or the company for which they are working.
- 9.5 There is no, or no significant, impact on the public sector because checks in respect of compliance with the new requirements will be absorbed into existing MLC compliance inspections undertaken by the MCA.

#### 10. Monitoring and review

#### What is the approach to monitoring and reviewing this legislation?

10.1 The approach to monitoring this legislation is to keep under review the outcome of MLC compliance checks by the MCA and to monitor seafarer complaints to identify those relating to these amendments. In addition, the MCA will evaluate the impacts of the amendments through consultation with industry using the representative organisations referred to in paragraph 7.2.

<sup>&</sup>lt;sup>5</sup> Note for the Sifting Committees; the guidance is being developed and a link will be included in the final version of the EM.

<sup>&</sup>lt;sup>6</sup> Note for the Sifting Committees; the guidance is being developed and a link will be included in the final version of the EM.

10.2 The Instrument does not include a statutory review clause and, in line with the requirements of the Small Business, Enterprise and Employment Act 2015 Mike Kane MP, Parliamentary Under-Secretary of State for Transport has made the following statement: "This Instrument does not include a statutory review clause since it amends provisions which are subject to review by virtue of existing provision in the secondary legislation."

## Part Three: Statements and Matters of Particular Interest to Parliament

## 11. Matters of special interest to Parliament

11.1 This Instrument is being laid for sifting by the Sifting Committees.

## 12. European Convention on Human Rights

12.1 As the Instrument is subject to negative procedure and does not amend primary legislation no statement is required.

#### 13. The Relevant European Union Acts

- 13.1 This Instrument is made, in part, under sections 14(1) and 20(1)(b) of the Retained EU Law (Revocation and Reform) Act 2023 and therefore relates to the reform of assimilated law. In particular, this applies to certain Merchant Shipping instruments implementing the requirements of the Maritime Labour Convention that were previously made wholly or in part under section 2(2) of the European Communities Act 1972. The proposed amendments to some assimilated law in those instruments will remove provisions in connection with government ships with consequential changes being made where appropriate.
- 13.2 The Parliamentary Under Secretary of State for Transport, Mike Kane MP has made the following statement regarding use of legislative powers in the Retained EU Law Revocation and Reform) Act 2023:
- 13.3 "In my view the Merchant Shipping (Maritime Labour Convention and Miscellaneous Amendments) Regulations 2025 ("the Regulations") should be subject to annulment in pursuance of a resolution of either House of Parliament (i.e. the negative procedure)".

This is the case because the Regulations include some amendments made under the revocation power in section 14(1) of the Retained EU Law (Revocation and Reform) Act 2023 ("the 2023 Act") and where necessary, under the consequential amendments power in section 20(1)(b) of the 2023 Act. In consequence the negative procedure requirements apply to this Instrument under the procedural requirements in paragraph 5(5) and 6 of Schedule 5 to the 2023 Act.