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> > Marine Circular № 0.1/181 /2024

SUBJECT

Guidelines on Seafarer's Employment Agreements

APPLICATION

This Marine Circular is applicable to all seafarers working on board Mongolian-flagged ships, shipowners, operators, management companies, agents, recognized organizations and other relevant stakeholders.

PURPOSE OF THE GUIDELINE

- 1. This circular provides guidelines on the interpretation, expectations and requirements of Mongolia Maritime Administration in respect of seafarer's employment agreements. Furthermore, these guidelines aim to ensure fair and standardized working conditions for seafarers working on board Mongolian-flagged ships. Guidelines do not preclude the shipowners/operators to demonstrate compliance by meeting standards that are equivalent or higher. Due consideration should also be given to all applicable Maritime Labour Convention, 2006 (MLC, 2006) guidelines and collective bargaining agreements (CBA) in terms of non-discrimination, equal remuneration and equal mustering for equal work, leave entitlement, overtime compensation, working hours etc.
- 2. The Administration does not have a particular format for seafarer's employment agreements or collective bargaining agreements available for seafarers working on board Mongolian-flagged ships. Shipowners/operators are therefore free in their choice to enter into seafarer's employment agreements; however, they must ensure that any agreements entered into include, at minimum, the mandatory standards outlined in the MLC, 2006, and this circular.

FUNDAMENTAL RIGHTS AND PRINCIPLES

- 1. The shipowners/operators are obliged to eliminate all forms of forced or compulsory labor and discrimination in respect of employment and occupations.
- 2. The shipowners/operators shall bear in mind that no person under the age of 18 and a child are permitted to work on board Mongolian-flagged ships.
- The shipowners/operators must recognize that the seafarers shall have a freedom of association and the right to collective bargaining.

SEAFARER'S EMPLOYMENT AND SOCIAL RIGHTS

- 1. Every seafarer has the right to a safe and secure workplace that complies with safety standards.
 - Every seafarer has a right to decent working and living conditions on board ship.
- 3. Every seafarer has a right to health protection, medical care, welfare measures and other forms of social protection.



GENERAL REQUIREMENT

- 1. Shipowners/operators are kindly reminded that no individual seafarer's employment agreement is to preclude, deny or restrict any condition of the employment that forms part of and applicable CBA and that no seafarer shall be employed on board a ship outside a CBA if such is applicable to that ship.
- 2. The terms and conditions for seafarer's employment agreements shall be set out in a clear written legally enforceable agreement and shall be consistent with the standards set out in the MLC, 2006.
- 3. Seafarers shall have the right to understand and agree to the terms of their employment agreements before signing them. Seafarer's employment agreements should be presented in a way that allows the seafarers to review the terms, seek advice if necessary, and then freely consent to them with a sufficient understanding of the seafarer's rights and responsibilities before signing. Shipowners/operators are prohibited to use coercion to compel seafarers into accepting terms they do not fully comprehend or agree with.
- 4. Seafarer's employment agreement shall be signed by the contracting parties, both the seafarer and the shipowner/operator or a representative of the shipowner/operator, and each shall retain an original copy of the signed agreement for the duration of its term.
- 5. When compliance with section 4 is not feasible upon joining a ship, the seafarer's employment agreement may be initially signed in its original form by the shipowner/operator or its representative in its office and sent electronically to the crewing agency where the electronic copy of the agreement is received and signed in the original by the seafarer allowing the seafarer to hold an agreement with his/her own signature when joining the ship. Two (2) copies of the agreement signed in the original by the shipowner/operator or its representative shall then be forwarded to the ship as soon as reasonable and, upon receipt, the seafarer shall countersign two originals of the agreement and return one to the shipowner/operator or its representative.
- 6. Where a CBA form all or part of a seafarer's employment agreement, a copy of that agreement shall be available on board.
 - 7. Seafarer's employment agreements shall as a minimum contain the following provisions:
 - 1) Parties involved
 - The seafarer's full name, date of birth and birthplace;
 - The name and address of the shipowner/operator, or a representative of the shipowner/operator;
 - The place at which and date on which the seafarer's employment agreement is entered into.
 - The capacity in which the seafarer is to be employed;
- 3) The duration of the agreement (Every employment agreement must have a fixed, specified expiry date, unless concluded for a specific voyage or indefinitely. The maximum fixed service period shall be of such length)
- 4) The amount of paid annual leave or the formula for calculating such paid annual leave and holidays (Any earned paid leave must be taken before one year after the enlistment aboard and in no case shall exceed 11 months consecutively);
 - Seafarers are entitled to annual leave with pay for each completed month of employment (minimum of 2.5 days);
 - Seafarers shall be paid their normal basic remuneration during such leave;
 - Seafarers are entitled to paid holidays in each year of employment;
 - Seafarers shall be paid their normal basic remuneration during such holidays.
 - 5) The amount of the seafarer's wages or the formula for calculating such wages;
 - 6) The seafarer's entitlement to repatriation;
 - When the period of employment is terminated by reason of completion of voyage for which they were engaged;
 - Upon the termination of the seafarer employment agreement by the shipowner;
 - Upon the termination of the seafarer employment agreement by the seafarer for justified reasons;

- Due to the seafarer no longer being able to carry out his/her duties under the seafarer employment agreement or where the seafarer cannot be expected to carry them out in the specific circumstances; or
- Upon the expiration of the contact period of employment.

In instances where seafarers are dismissed for disciplinary reasons or have violated their obligations under their seafarer employment agreement, they may not have a right to repatriation funded by the shipowner.

- 7) The health and social security protection benefits to be provided to the seafarer by the shipowner/operator
 - Seafarers shall be provided with any medical care on board free of charge, including access to necessary medicines, medical equipment and facilities.
 - Where practicable and appropriate, they will be given leave to visit a qualified medical doctor in ports of call for the purpose of obtaining treatment.
 - If a seafarer becomes sick or is injured and remains on board the ship, the seafarer will be paid his/her normal basic remuneration until the seafarer has been repatriated.
 - 8) The termination of the agreement and the conditions thereof, including:
 - · By mutual consent;
 - Any seafarer may request termination of the seafarer's employment agreement on shorter notice than is required by the employment agreement or without notice on grounds of injury, illness, compassionate or urgent reasons. Such termination shall be executed without penalty of whatever nature to the seafarer;
 - By any misconduct from one party that violates the terms of the seafarer's employment agreement;
 - If in the opinion of the master the seafarer's continued employment would be likely to endanger the vessel or any person onboard.
- 9) The duration of the minimum notice period (The duration of the minimum notice periods to be given by seafarers and shipowners on ships for early termination of a seafarer's employment agreement shall not be shorter than seven (7) days)
 - 10) Reference to the collective bargaining agreement, if applicable
- 8. Upon Mongolia's ratification of the 2018 amendments to the MLC, 2006 in 2023, in the event that a seafarer is held captive on or off the ship due to piracy or armed robbery, regardless of whether the expiration date of the seafarer's employment agreement has passed or whether either party has given notice to suspend or terminate the agreement:
 - 1) The seafarer's employment agreement shall continue to have effect; and
 - 2) Wages and other entitlements, including the remittance of any allotments, under the seafarer's employment agreement shall continue to be paid until either the seafarer is released and repatriated or, where the seafarer dies in captivity, the date of death is determined.

Shipowners are to review their policies, procedures, SEAs and any other collective bargaining agreements to ensure compliance with the 2018 amendments and shall ensure that SEAs that are signed on and after 29th May 2024, cover the 2018 amendments.

Any inquiries or requests regarding this marine circular should be directed to Mongolia Maritime Administration (E-mail address: info@monmarad.gov.mn).

This Marine Circular will enter into effect as of 29 May 2024.

Sincerely.

OTGONSUREN DAMDINSUREN DIRECTOR-GENERAL

MONGOLIA MARITIME ADMINISTRATION