

GUIDANCE NOTE 02/2013

**APPLICATION OF THE MARITIME LABOUR CONVENTION TO PLEASURE
YACHTS NOT ENGAGED IN TRADE**

To: OWNERS, MANAGERS AND MASTERS OF CAYMAN ISLANDS SHIPS

This Guidance Note was previously issued as Shipping Notice 02/2013 and the content remains unchanged.
A copy of Shipping Notice 02/2013 is attached to, and forms part of, this Guidance Note.

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SHIPPING NOTICE 02/2013**APPLICATION OF THE MARITIME LABOUR CONVENTION TO PLEASURE YACHTS NOT ENGAGED IN TRADE**

To: OWNERS, MANAGERS, OPERATORS AND MASTERS OF CAYMAN ISLANDS YACHTS

1. Background

- 1.1 The purpose of this Shipping Notice is to provide guidance on the policy of the Cayman Islands Shipping Registry (CISR) regarding the application of the Maritime Labour Convention, 2006 (MLC), on privately registered yachts that are not engaged in commercial activities.
- 1.2 The MLC will enter into force internationally on 20 August 2013. The MLC will be extended to the Cayman Islands by the UK who is the ratifying ILO Member State. Indications are that this will happen close to 20 August 2013. In the meantime the Cayman Islands is implementing the MLC into its national law, which is how the Convention is intended to be implemented internationally. More information on the MLC can be found on the [MLC Section of the website^a](#).

2. Application of the MLC to pleasure yachts not engaged in trade

- 2.1 Article II.4 of the MLC states that "*this Convention applies to ships, whether publicly or privately owned, ordinarily engaged in commercial activities*". This therefore means that any pleasure yacht that is not engaged in trade is not required to comply with the MLC.
- 2.2 The recently published third edition of the [Large Commercial Yacht Code^b](#) (LY3), which enters into force on 20 August 2013, includes many elements of the MLC. Therefore, to all intents and purposes, LY3 incorporates MLC compliance into the Code. This means that to maintain full compliance with LY3 a pleasure yacht not engaged in trade must be fully MLC compliant as appropriate¹, from 20 August 2013.
- 2.3 As detailed in Shipping Notice [CISN 14a/2004^c](#) (as may be amended) a pleasure yacht not engaged in trade does not need to comply with any Cayman Islands legislation with respect to the Large Yacht Code (LY2/3).

¹ The crew accommodation standards of LY3 will not apply to vessels for which the keel was laid prior to 20 August 2013

3. Voluntary compliance with MLC and the Large Yacht Code

- 3.1 As has been its longstanding policy the CISR strongly recommends that pleasure yachts not engaged in trade comply fully with the Large Yacht Code. The reason for this recommendation is essentially to provide greater safety, by virtue of the construction, equipment, operation and manning requirements of the Large Yacht Code, but this now includes MLC compliance and the many benefits that this will bring for crew welfare and working conditions.
- 3.2 Many pleasure yachts not engaged in trade do elect to maintain voluntary full compliance with the Large Yacht Code and are therefore issued with a Certificate of Compliance with the Large Yacht Code (COC-LY). This of course can bring many benefits to the owner and the crew including those points mentioned in paragraph 3.1, but also in terms of permitting vessels to transfer to commercial registration quickly and efficiently should this be required. To maintain a COC-LY from 20 August full MLC compliance is required.
- 3.3 As with commercial vessels if a pleasure yacht not engaged in trade wishes to comply with MLC then it will need to be inspected for compliance by the CISR. Please see Shipping Notice: [CISN 03/2012^d](#) for further information regarding implementation and inspection of ships for MLC compliance by the CISR. In brief, the yacht would need to be inspected and, if over 500GT, would need MLC certification (Maritime Labour Certificate and Documents of Maritime Labour Compliance), by 20 August 2014². We would anticipate that this inspection would take place as part of the next annual survey for compliance with the Large Yacht Code. A significant number of such yachts have already successfully undergone an MLC inspection.
- 3.4 Should the owners of a pleasure yacht not engaged in trade choose not to comply with MLC from 20 August 2013 and the yacht currently holds a COC-LY then the Certificate will have to be exchanged for a Statement of Compliance with the Large Yacht Code which would list MLC compliance as an outstanding item of non-compliance.
- 3.5 If a pleasure yacht not engaged in trade holds a Statement of Compliance with the Large Yacht Code it cannot register commercially or engage in trade until it has been verified that the yacht is fully compliant with the Large Yacht Code and any outstanding items on the Statement have been addressed (which would include achieving full MLC compliance).

4. Further Information:

- 4.1 Should you have any queries on any aspect of the MLC please contact James Hatcher or Peter Southgate. Both can be reached by email to shipping.master@cishipping.com.

^a http://www.cishipping.com/portal/page?_pageid=4362,7344841&_dad=portal&_schema=PORTAL

^b <http://www.dft.gov.uk/mca/ly3-4.pdf>

^c http://www.cishipping.com/portal/page?_pageid=4362,7343008&_dad=portal&_schema=PORTAL

² Compliance with MLC is required from 20 August 2013 when the Convention enters into force. However, there is an international agreement to prioritise passenger ships and bulk carriers for initial inspection and certification. Therefore yachts (other than Passenger Yachts) have an additional 12 months to be inspected, and where required, certified for compliance.

^d http://www.cishipping.com/portal/page?_pageid=4362,7343243&_dad=portal&_schema=PORTAL