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Nations



**AN ACT PROVIDING FOR THE  
MINIMUM TERMS AND  
CONDITIONS OF EMPLOYMENT  
OF FILIPINO SEAFARERS  
ABOARD OCEAN-GOING  
VESSELS**

**A Legislation Drafting Project submitted in partial  
fulfillment of the requirements for the award of the  
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**SEVENTEENTH CONGRESS\* OF THE  
REPUBLIC**

**)OF THE PHILIPPINES**

**)**

**First Regular Session**

**)**

**HOUSE BILL NO. \_**

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**Introduced by ANGKLA\*\* Partylist Representative JESULITO A.  
MANALO**

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**AN ACT PROVIDING FOR THE MINIMUM  
TERMS AND CONDITIONS OF  
EMPLOYMENT OF FILIPINO SEAFARERS  
ABOARD OCEAN-GOING VESSELS.**

*Be it enacted by the Senate and the House of Representatives of the Philippines in  
Congress assembled,*

**EXPLANATORY NOTE**

**INTRODUCTION**

**The crucial role played by the Philippines as a nation in the**

**shipping industry can readily be seen in the ubiquity of Filipino seafarers on board ocean-going vessels. Such heavy provision of Filipino crew on board can be traced back to 1987 when the Philippines started to become the “leading supplier of seafarers.”<sup>1</sup> At present, records clearly show that of the more than 1.2 million mariners in the world, 30% are Filipino seafarers, thus “making the Philippines the manning capital of the world.”<sup>2</sup> In fact, the maritime countries of the**

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\* The Seventeenth Philippine Congress shall open in June 2016.

\*\* Angkla is the sectoral representative of seafarers in the House of Representatives, the lower house of the bicameral Philippine legislature. Considering its valuable contribution since its first election to the Philippine Congress in 2013, it can be expected that the party will be re-elected in the May 2016 national elections.

<sup>1</sup> Choudhury, P. (2010, February 2). Filipino Seamen Still Rule the Seas, For Now. Retrieved from <http://planetphilippines.com/migration/filipino-seamen-still-rule-the-seas-for-now/>.

<sup>2</sup> Lucas, D. (2015, 25 June). Seafarers' Day: PH Is World's Manning Capital. Retrieved from <http://globalnation.inquirer.net/125167/seafarers-day-ph-is-worlds-manning-capital/>.

28-member European Union (EU) count on about 100,000 Filipino seafarers to man their vessels.<sup>3</sup> Further, some 80,000 of these Filipino seafarers are maritime officers whose position cannot be so easily filled, as compared with the rank and file positions on board.<sup>4</sup> Today, the Philippines continues to be the top supplier of seafarers on board ocean-going vessels and is far ahead of other crewing nations such as India and Ukraine and other countries in Asia.

This glaring preference by shipowners for Filipino crew members is explained rather easily by the quality of seamanship provided by Filipino seafarers. As posited by a former Philippine Labour Minister, “Foreign employers find Filipino sailors quick learners, and easier to train compared to other nationals.”<sup>5</sup> As it appears, Filipino seafarers are the most in demand in the world because of their outstanding qualities: Technical knowledge, flexibility, reliability, trustworthiness, hard work, and a good command of the English language.<sup>6</sup>

Considering the high number of Filipino crew on board foreign vessels, certainly, their employment translates into a big contribution to the Philippine economy what with the cash remittances from their income which they send to their families back home. Per statistics, “[t]he *Bangko Sentral ng Pilipinas*<sup>7</sup> indicates that Filipino seafarers sent home

\$5.6 billion in cash—that’s P252 billion in spending power, at current exchange rates—in 2014, making up about a fifth of the \$26.9 billion OFW remittances last year.”<sup>8</sup> Indeed, a considerable number of Filipino families of almost half a million Filipino seafarers rely on the shipping

**profession.<sup>9</sup> The benefits that they derive from this industry go a long way – from enabling them to provide for their daily sustenance, to providing them means to be able to send their children to private schools, to helping them save for their eventual**

<sup>3</sup> Corrales, N. (2014, 30 April). European Nations Reject Bid to Ban Filipino Seafarers. Retrieved from <http://globalnation.inquirer.net/103241/european-nations-reject-bid-to-ban-filipino-seafarers/>.

<sup>4</sup> Lucas, D.; *op. cit.*

<sup>5</sup> Choudhury, P.; *op. cit.*

<sup>6</sup> Lucas, D.; *op. cit.*

<sup>7</sup> Central Bank of the Philippines.

<sup>8</sup> Lucas, D.; *op. cit.*

<sup>9</sup> *Ibid.*

retirement, up to opening the possibility of securing corporate jobs in maritime companies upon retirement from sea duties.

Further, with the huge volume of Filipino seafarers in demand, naturally, the need for crewing companies deploying them as agents of foreign ship owners or ship managers, *et cetera* has become essential. Thus, if the Philippines is to see the growth or further development of the national shipping industry, it seems fair to say that this would be strongly anchored upon the strength of the sea-based labour sector. Consequently, it cannot be denied that the Philippine economy in general is benefitted by the efforts of these sailors working on board foreign vessels plying the Seven Seas. To summarize the point that should not be missed: Filipino seafarers are important to the global shipping industry, to the Philippines and to their families.

### **THE PLIGHT OF FILIPINO SEAFARERS**

Certainly, this world is not a utopian society characterized by total happiness and perfection. The relatively high salary received by Filipino seafarers is certainly not without a trade-off. The seemingly good life enjoyed by these workers and their families comes with a price, if not a heavy one, considering that “employment at sea meant danger, isolation and restriction.”<sup>10</sup> To borrow a line from the 18<sup>th</sup> century English writer Dr. Samuel Johnson’s entry in his 1773 *Journal of a Tour to the Hebrides*, “No man will be a sailor who has contrivance enough to get himself into a jail; for being in a ship is being in a jail, with the chance of being drowned.”<sup>11</sup> Indeed, it requires a sense of sensitivity to

**be able to acknowledge that notwithstanding the significant economic benefits from the Filipino seafaring industry, this phenomenon, being a component of exported Filipino labour, is actually reflective of a malady in local governance and indicative of the insecurity in relying on what the national economy may offer. Something, at least somehow, must be done.**

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<sup>10</sup> Fitzpatrick, Deirdre et al. (Eds.); *Seafarer's Rights*, Oxford, London, 2005, p. 3.

<sup>11</sup> *Ibid.*

**To begin with, for these seafarers, serving aboard means that they have to be isolated from their kith and kin. A feeling of isolation and a condition of depression are therefore not unusual to follow. In certain cases, as statistics shows, such condition may even lead to a suicide. It may be well to note that in an online article, it is explained that “recent research from the UK’s Swansea University shows that seafaring is the career with the world’s second highest suicide rate after coal mining.”<sup>12</sup> This article came out after the tragic suicide by a Filipino seafarer in May 2015 aboard a container ship.**

**Also, with seafaring contracts of several months to one year, and renewable soon after its termination, indeed, Filipino seafarers are hardly able to spend time with their loved ones. Those with their own families miss the chance to be with their children as they grow up. They just depend necessarily on their better halves to ensure that things are well back home. Also, as reality shows, the fact that the husband – or in certain instances, the wife – is away from the conjugal abode inevitably contributes to Filipino families getting broken. Unfortunately, the distance factor influences incidence of marital infidelity – a risk said to be actually part of being a mariner. In fact, it is not unusual to see this issue become manifest when there are different factions fighting over a Filipino seafarer’s employment benefits claim.**

**Unbeknownst to many, life on board where one is constantly exposed to the harshness of nature and the perils of the sea and of navigation is not easy and is, in fact, dangerous. For one, the imposing vessel structure, whilst a romantic piece of construction to outside**



**observers, does not really provide a safe working environment. On board, one should be able to notice, *inter alia*, the narrow pathways and ladders along which Filipino seafarers walk, nay, sprint in the performance of their duties. One must realize that this workplace is an accident-prone area considering the slippery surface of the vessel because of oil and grease necessarily used in the day-to-day operations of the vessel. This circumstance becomes worse in those instances when huge and engulfing waves – as tall as multi-storied buildings and not the fancy “big” waves which surfers enjoy – are battering**

<sup>12</sup> Birkett, H. (2015, 19 May). Fatal Stabbing of Filipino Seafarer Was Suicide, Says Shipowner. Retrieved from <http://splash247.com/fatal-stabbing-of-filipino-seafarer-suicide-shipowner/>.

the vessel for hours in the middle of the ocean. Likewise, depending upon the cargo shipped, the vessel can be a health hazard to those aboard because of the noxious substances transported. Thus, among the concerns that Filipino families have to deal with is the knowledge that their loved ones, who are striving to provide for them may suffer from a work-related illness or injury on board, if not death mostly through a work-related accident.

Moreover, it is not difficult to imagine that in an effort to secure employment over which many other Filipinos are fighting, a number of them are constrained to deal with scrupulous recruitment companies who demand unreasonable and unlawful fees/services in exchange of a seafaring contract. On board, the seafarer's hard-working quality may be abused such that Filipino seafarers are made to work for a period beyond what is indicated in their contract and/or to perform tasks outside their job description. In addition, they may also experience being discriminated against in respect of working conditions and treatment from other crew aboard.<sup>13</sup>

## **THE NEED FOR A NATIONAL SEAFARER'S LEGISLATION**

Ironically, despite the important contribution of Filipino seafarers to the global shipping industry and to the Philippine economy, the Philippine government has yet to come up with a comprehensive national legislation specifically to address the concerns of this particularly important sector of the labour force. There may be a

**general national labour legislation, the Labor Code of the Philippines<sup>14</sup> enacted in 1974, or one for overseas workers, the Migrant Workers and Overseas Filipinos Act of 1995,<sup>15</sup> but these laws do not particularly relate to or address the distinct nature of employment of overseas sea-based labourers.**

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<sup>13</sup> Binghay, Virgel C. "Ensuring Occupational Health and Safety for Overseas Filipino Seafarer." Paper delivered at the Eighth International Society for Labor and Social Security Law Regional Congress, Taipei, Taiwan, 2005.

<sup>14</sup> Presidential Decree No. 442.

<sup>15</sup> Republic Act No. 8042 as amended by Republic Act No. 10022.

At best, the Philippine Overseas Employment Agency (POEA), an administrative body within the Department of Labor and Employment (DOLE), issues from time to time a Memorandum Circular – the latest of which was issued in 2010<sup>16</sup> – providing for the Amended POEA Standard Employment Contract which lays down the minimum standards of employment for Filipino seafarers aboard foreign vessels. Policy issuances from the DOLE have been issued as well to respond to the developing needs of the maritime labour force. Whilst these quasi-legislative issuances are deemed law between the parties to the seafaring contract, they nonetheless lack the force and stability of a product of the national legislature.

Being mere quasi-legislative issuances, their existence and validity depend merely on the agency's exercise of delegated legislative power as circumscribed and limited mainly by the existing Labor Code. As may be observed from Philippine maritime labour law practice, however, the peculiar working environment of seafarers cannot be fully addressed by the provisions of said Code. To begin with, said Code was enacted prior to the growth of the local crewing industry.

The proposed law herein, being a legislative act in itself with a life of its own, so to speak, stands on equal footing with other laws created by the Philippine legislature. It is only in this way that certain maritime labour provisions can be put into effect under the maxims *lex posterior derogat priori* and *lex specialis derogat generali*. A case in point is the provision herein in regard to missing seafarers who are able to claim benefits after the lapse of the reduced period of two (2) years, instead of four (4) years as done in current practice, four (4) years being what is

**provided in the Civil Code of the Philippines, a legislative act. Indeed, a mere administrative issuance cannot prevail over said legislative act and will render any similar provision vulnerable to attacks on its constitutionality. These concerns coupled with the need to improve the provisions contained in the problematic quasi-legislative issuance indeed render it imperative that a national legislation for seafarers be enacted.**

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<sup>16</sup> POEA Memorandum Circular No. 10, Series of 2010.

## **THE MARITIME LABOUR CONVENTION 2006**

**In August 2012, the Philippine government duly deposited its instrument of ratification of the Maritime Labour Convention 2006 (MLC, 2006) and became the 30<sup>th</sup> State to do so thereby triggering the entry into force of said international convention effective 20 August 2013. Said convention was a product of the 2001 Geneva Accord agreed upon between the international representatives of seafarers and ship owners in the International Labour Organization (ILO) “where they called on the ILO to develop a Convention to address the many problems in this sector, problems that are largely related to what is now called ‘globalisation’.”<sup>17</sup> Thus, the ILO came up with what would be a comprehensive international convention incorporating some “37 existing maritime labour conventions and related recommendations adopted since 1920”<sup>18</sup> to provide for the minimum international standards for working and living conditions for seafarers. Included in the MLC, 2006 are provisions on “a safe and secure workplace that complies with safety standard, fair terms of employment, decent working and living conditions on board ship, health protection, medical care, welfare measures and other forms of social protection”<sup>19</sup> including a “system for seafarers’ complaints and reporting, to catch failures to meet the standards of the Convention” and a “strong enforcement system to help ensure protection of seafarers’ rights and compliance with the standards in this Convention worldwide – that is, no matter where the ship voyages.”<sup>20</sup>**

**The MLC, 2006 contains Articles, Regulations, and a two-part Code consisting of Standards (Part A) and Guidelines (Part B).<sup>21</sup> The**

**Articles reflect broad principles the details of which are understood in its Regulations and the more specific Standards (Part A). All these are mandatory principles of the Convention. The Guidelines, on the other hand, are recommendatory in nature and serve as *guide* for the “proper understanding of**

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<sup>17</sup> Frequently Asked Questions about the ILO's Maritime Labour Convention, 2006. (2011). Retrieved from [http://www.ilo.org/global/standards/maritime-labour-convention/WCMS\\_CON\\_TXT\\_ILS\\_MAR\\_FAQ\\_EN/lang--en/index.htm](http://www.ilo.org/global/standards/maritime-labour-convention/WCMS_CON_TXT_ILS_MAR_FAQ_EN/lang--en/index.htm).

<sup>18</sup> Ibid.

<sup>19</sup> Ibid.

<sup>20</sup> Ibid.

<sup>21</sup> Stevenson, Douglas. "Introduction to the Maritime Labour Convention, 2006." Handout. IMO International Maritime Law Institute. Msida, Malta. 2016. Print.

**the Regulations and the mandatory Standards” especially in cases where the Standards are presented in a general manner.<sup>22</sup>**

**These Regulations and Codes are divided into five titles, thus: Title 1: Minimum requirements for seafarers to work on a ship; Title 2: Conditions of employment;**

**Title 3: Accommodation, recreational facilities, food and catering;**

**Title 4: Health protection, medical care, welfare and social security protection; and,**

**Title 5: Compliance and enforcement**

**The MLC, 2006 provisions on the terms and conditions of seafaring employment on board shall serve as the bases for the working atmosphere that can be expected on board.**

**Firstly, Regulation 2.2 on Wages ensures that seafarers are paid their wages once a month. A portion of their wages are also required to be remitted to their families back home. Even in cases of vessel loss or foundering, seafarers are to be compensated, under Regulation 2.6.**

**Regulation 2.3 of the MLC, 2006 likewise has provided for the regulation of the hours of work and hours of rest for seafarers in the interest not only of maritime safety but of the health of the seafarer. In addition, adequate leave and shore leave is allowed to seafarers under Regulation 2.4 in recognition of the negative impact that remaining on board for long periods has on the well-being of a seafarer.**



**Regulation 3, on the other hand, provides for detailed requirements in relation to the accommodation of seafarers on board. The provisions under said regulation require adequate ventilation, insulation from noise and vibration, and decent living space, among others, in the accommodation of seafarers. In addition, this regulation also requires the availability on board of food and water of appropriate quality, nutritional value and**

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<sup>22</sup> Ibid.

quantity that adequately covers the needs of the vessel and takes into account the differing cultural and religious backgrounds.

Regulation 4 of the MLC, 2006 provides for the availability of medical care for seafarers. Likewise, it serves as protection “from the financial consequences of sickness, injury or death in conjunction with their employment.”<sup>23</sup>

Most importantly, the compliance and enforcement mechanism in the MLC, 2006 ensures that the Convention shall not be a toothless legislation, but one that can be effectively implemented. Central to this mechanism are the requirements of a Maritime Labour Certificate from the flag state and the Declaration of Maritime Labor Compliance. In said certificate, it is stated that “the working and living conditions on the ship have been inspected and conform with the national laws, regulations or other measures implementing the MLC, 2006. Importantly, the certificate identifies the shipowner responsible for satisfying [] obligations under the MLC, 2006.”<sup>24</sup> The Declaration of Maritime Labor Compliance is attached to the Maritime Labor Certificate. Such declaration “summarizes the national laws or regulations implementing an agreed-upon list of 14 areas of the maritime standards and describes the shipowner’s plan for implementing the Convention.”<sup>25</sup>

**DOMESTICATION OF THE**  
**MLC, 2006**  
**THROUGH THIS ACT**

**The Philippines adheres to the dualist theory of law. Under said theory, “the international law system is distinct from the domestic law system.”<sup>26</sup> At the same time, however, the Philippine Constitution provides in Section 2, Article II that “[t]he Philippines renounces war as an instrument of national policy, adopts the generally accepted**

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<sup>23</sup> Ibid.

<sup>24</sup> Ibid.

<sup>25</sup> Ibid.

<sup>26</sup> Bernas S.J., Joaquin; *Foreign Relations in Constitutional Law*, Rex, Manila, 1995, p. 16.

**principles of international law as part of the law of the land and adheres to the policy of peace, equality, justice, freedom, cooperation, and amity with all nations.” (Emphasis supplied) This particular Constitutional provision employs the Doctrine of Incorporation of international law and “bridges the gap between the two systems by making international law part of domestic law.<sup>27</sup>**

**Thus, a self-executory international convention, once duly ratified or acceded to as the case may be, is binding on the domestic courts and citizens of the Philippines. No separate domestic legislation is necessary to enforce said international convention, unless it is lacking in the mechanism for domestic implementation.**

**Being a party to the MLC, 2006, the Philippine government is enjoined to enact a domestic legislation providing for a legal and administrative system that is conducive to the effective implementation of the Convention, particularly in respect of its provisions on labour standards and employment benefits. Thus, with its plenary power of legislation, Philippine Congress passes this Act as an “Act providing for the Minimum Terms and Conditions of Employment of Filipino Seafarers aboard Ocean-Going Vessels” which is to be deemed incorporated in every overseas employment contract entered into by Filipino seafarers.**

**Apart from the humane conditions of employment provided in the MLC, 2006, what appears to be the most laudable and impressive provision therein is its compliance and enforcement mechanism. A law may be good, but when it can hardly be enforced, it is essentially**

**useless.**

**As can be seen in this proposed law, the aims of the Convention are to be pursued principally through the active role of the shipping company, *i.e.* the crewing agencies and their foreign principals, and the seafarers. Apart from tapping the proper government agencies to carry out specific tasks required by the Convention, such as inspection of the necessary documents, the proposed law shall operate as providing both the shipping**

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<sup>27</sup> Ibid.

**company and the seafarers such duties and obligations as reflective of the goals mandated by the MLC, 2006.**

**It is submitted that it is in this way that the MLC, 2006 can be best implemented in the Philippine setting especially in view of the fact that the bulk of the ocean-going vessels on which Filipino seafarers work fly flags other than that of the Philippines. Thus, more focus should be given on the parties to the employment contract. Besides, who other than the parties can better observe whether or not the Convention is followed?**

**Crucial to ascertaining that the provisions of the Convention are observed is being able to provide the necessary information as regards terms and conditions of employment and further, having the avenue to report violations, if any, hereof. Thus, consistent with the MLC, 2006, this proposed law shall include provisions to ensure the implementation of the terms and conditions of employment under the MLC, 2006 through an effective information dissemination system as regards the rights, duties, terms and conditions of employment; and, an effective complaint mechanism.**

**Experience has shown that the inequity in the system of labour justice stems largely from the lack of information of labourers in respect of their rights. Under this Act, in Section 22(A), it is the duty of the employer to ensure that a copy of the terms and conditions of employment per this Act is provided in the seafarer's accommodation. Likewise, per its Section 22(B), the master or his deputized officer shall discuss such terms and conditions with a Filipino seafarer joining the**

**vessel. This fact shall be entered in the vessel logbook. Through the imposition of these duties, it is believed that information in respect of their rights is effectively disseminated to the seafarers.**

**Moreover, as provided in this Act, the usual fear of retaliation that seafarers face when contemplating reporting violations of the company is addressed. Section 22(E) provides that in view of the possible strained relations between the company and the seafarer, a seafarer whose employment is terminated for reporting a violation shall be**

entitled to a separation pay equivalent to three (3) months of his basic wage. Such period is deemed sufficient for him to find a new employer.

To complement the enforcement of the provisions of this proposed law, Section 2 provides for the government agencies tapped in the implementation hereof: the Philippine Overseas Employment Administration (POEA) shall oversee, regulate and supervise the administrative concerns arising from this law, including matters relating to the processing and approving of contracts of employment and to handling complaints. Subject to voluntary arbitration proceedings as may be provided in the Collective Bargaining Agreement (CBA), monetary claims under this law shall be cognizable by the National Labor Relations Commission (NLRC) through its compulsory arbitration proceedings. More importantly, in addition to its mandate under existing laws, the Port State Control (PSC) of the Philippine Coast Guard (PCG) shall inspect the vessel for the Maritime Labour Certificate Declaration of Labour Compliance and to ensure that copies of these documents can be found in the accommodations of Filipino seafarers on board. Further, it shall work with the POEA in enforcing the provisions of this law particularly in respect of reports of violations.

This proposed law likewise provides in Section 23 in relation to Annex II a schedule of disability and benefits for the purpose of determining the availability of compensation to which a Filipino seafarer shall be entitled, in the unfortunate event of a work-related illness, injury or death. In addition, the reduced “waiting period” in regard to missing seafarers is also provided herein.



**Indeed, this proposed law incorporates the MLC, 2006 and at the same time improves and transforms the administrative issuances of the POEA into a legislative act to produce a globally acceptable and up to date maritime labour legislation cognizant of the needs of Filipino seafarers as part of the global shipping industry.**

## **CONCLUDING STATEMENT**

**As has been presented, the needs of Filipino seafarers as well as the Philippine government's obligation to the international maritime community under the MLC, 2006 render it imperative that a national legislation which is protective of Filipinos seafarers yet cognizant of the rights of ship owners in consonance with the ends of the Convention be passed. Hence, this proposed law reflecting the provisions of the MLC, 2006.**

**In view of the important role that Filipino seafarers play in the shipping industry, it is essential that a law be in force to clearly embody the rights that they need as they perform their tasks and to provide a strong mechanism for the proper enforcement of such rights. Politically, this proposed law reflects the Philippine government's resolve to protect and enhance the welfare of Filipino seafarers. Indeed, such law will also serve as a gesture of appreciation and recognition of the contribution that these overseas labourers make to support the national economy. Through this proposed law, a better working atmosphere that can be expected to yield equally better work output from Filipino seafarers is hoped to be created.**

**Moreover, it will give the families of these seafarers peace of mind with the knowledge that their breadwinners are treated in a humane manner while they are away and on board in the middle of the ocean.**

**Further, the domestication of the MLC, 2006 through this proposed law is certainly able to provide a uniform system of law that is**

**understandable globally in respect of the rights and obligations of both the seafarers and their employers. Thus, surprises are minimized and resort to a more cumbersome, complex and sometimes counter-productive legal action would be lessened. At the very least, with this proposed law in place, the resolution of legal issues is facilitated. Consequently, engagement of Filipino seafarers by foreign ship owners would be encouraged under a stable system brought about by this law.**

**As with the MLC, 2006, this proposed law aims to provide “decent work for seafarers and to secure economic interests through fair competition for quality ship owners.”<sup>28</sup>**

**Indeed, under this proposed law, both the interests of the employers and the employees are served, in observance of the Constitutional guarantee of “full protection to labor” and “the principle of shared responsibility between workers and employers.”<sup>29</sup> Furthermore, this echoes the MLC, 2006 provision stating that “[...] seafarers and ship owners, like all other persons, are equal before the law and are entitled to the equal protection of the law [...]”<sup>30</sup>**

**Equally important is that with the enactment of this law, the Philippine government is able to once again demonstrate to the international community its sincerity toward its international commitments – that being a party to the MLC, 2006, it ensures that the same will be fully and effectively implemented through the necessary domestic legislation providing the mechanisms to attain its goals. *Pacta sunt servanda.***

**In view of the foregoing, passage of this bill is earnestly sought.**

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<sup>28</sup> Basic facts on the Maritime Labour Convention 2006. (2013). Retrieved from [http://www.ilo.org/global/standards/maritime-labour-convention/what-itdoes/WCMS\\_219665/lang-en/index.htm2006](http://www.ilo.org/global/standards/maritime-labour-convention/what-itdoes/WCMS_219665/lang-en/index.htm2006).

<sup>29</sup> Section III, Article XIII, 1987 Philippine Constitution.

<sup>30</sup> Para. 4, Title 5. MLC, 2006.



**SEVENTEENTH CONGRESS OF THE  
REPUBLIC**

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**)**

**First Regular Session**

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**HOUSE BILL NO. \_**

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**Introduced by ANGKLA Partylist Representative JESULITO A.  
MANALO**  
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**AN ACT PROVIDING FOR THE MINIMUM TERMS AND CONDITIONS OF  
EMPLOYMENT OF FILIPINO SEAFARERS ABOARD OCEAN-GOING  
VESSELS.**

*Be it enacted by the Senate and the House of Representatives of the Philippines in  
Congress assembled,*

**SECTION 1. TITLE**

This Act shall be known as the “**The Filipino Seafarer’s Act of 2016**”.

**SECTION 2. DECLARATION OF POLICY**

**It is the policy of the State to protect afford full protection to labor without prejudicing the rights of the employer. Passage of this Act, reflecting the Maritime Labour Convention 2006 that has been duly ratified by the Philippine government, is sought to promote the welfare of Filipino seafarers. The provisions hereof shall constitute the minimum terms and conditions of seafaring employment which are deemed incorporated in every seafaring contract entered into by Filipino seafarers.**

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**SECTION 3. DEFINITION OF TERMS**

**For purposes of this Act, the following terms are defined as follows:**

1. Allottee – any person named or designated by the seafarer as the recipient of his remittance to the Philippines.
2. Basic Wage –the salary of the seafarer exclusive of overtime, leave pay

and other allowances and benefits.

3. Beneficiary(ies) – person(s) to whom the death compensation due under the employment contract is payable in accordance with the rules of succession under Republic Act No. 386, otherwise known as the Civil Code of the Philippines, as amended.

4. Company – the crewing agency or its foreign principal on whose behalf it is acting for the purpose of hiring Filipino seafarers to work onboard ocean-going vessels.

5. Convenient Port – any port where it is practicable, economical, safe and convenient to repatriate the seafarer.

6. Crewing Agency – any person, partnership or cooperation duly licensed by the Secretary of Labor and Employment to engage in the recruitment and placement of seafarers for vessels plying international waters.

7. Declaration of maritime labour compliance – a certificate stating that the national requirements implementing the Maritime Labor Convention, 2006 for the working and living conditions for seafarers and setting out the measures adopted by the company to ensure compliance with the requirements on the vessel concerned.

8. Dental treatment – covers tooth extraction, or the necessary dental surgery, due to an accident.

9. Departure – the actual departure from the point of hire of the seafarer through air, sea or land travel transport to join his vessel at a Philippine or foreign port.

10. Flag State – the state whose flag the vessel flies.

11. Maritime labor certificate – a document certifying that the working and living conditions of seafarers on the ship, including measures for ongoing compliance to be included in the declaration of maritime labour compliance have been inspected and meet the requirements of national laws or regulations or other measures implementing the Maritime Labor Convention, 2006.

12. Maximum Medical Improvement – the point during the medical treatment when the patient's condition has already stabilized.

13. Philippine Port – any Philippine airport or seaport.

14. Point of Hire – the place indicated in the contract of employment which shall be the basis for determining commencement and termination of contract, unless otherwise provided herein.

15. Pre-existing illness – an illness contracted by and known to a seafarer prior to the processing of his contract of employment.

16. Seafarer – any Filipino citizen who is employed or engaged in overseas employment in any capacity on board a vessel other than a government vessel used for military or non-commercial purposes.

17. Shipwreck – the damage or destruction of a vessel at sea caused by collision, storm, grounding or any other marine peril at sea or in port rendering the vessel absolutely unable to pursue her voyage.

18. Vessel – an ocean-going ship other than one which navigates exclusively in inland waters or waters within, or closely adjacent to, sheltered waters or areas where port regulations apply. A ship is synonymous to a vessel.

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19. Work-related death – death caused by a work-related injury or illness.

20. Work-Related Illness – any sickness caused by the nature of seafaring **duties**

**s.** 21. Work-Related Injury – injury arising from seafaring duties.

## **SECTION 2. GOVERNMENT AGENCIES**

A. The Philippine Overseas Employment Administration (POEA), an agency under the Department of Labor and Employment shall be the agency that shall oversee,



**regulate and supervise the administrative concerns arising from this law, including matters relation to the processing and approving contracts of employment and handling complaints. Penalties for administrative concerns shall be meted out by the POEA in accordance with its existing rules and regulations.**

B. Subject to voluntary arbitration proceedings as may be provided in the Collective Bargaining Agreement (CBA), monetary claims under this law shall be cognizable by the National Labor Relations Commission (NLRC) through its compulsory arbitration proceedings.

C. In addition to its mandate under existing laws, the Port State Control (PSC) of the Philippine Coast Guard (PCG) shall inspect the vessel for the Maritime Labor Certificate Declaration of Labour Compliance and that copies of these documents can be found in the accommodations of Filipino seafarers on board. Further, it shall work with the POEA in enforcing the provisions of this law particularly in respect of reports of violations.

### **SECTION 3. DUTIES**

A. Duties of the company

1. To faithfully comply with the provisions hereof, particularly the prompt payment of wages, remittance of allotment and the expeditious settlement of valid claims of the seafarer.

2. To extend coverage to the seafarers under the Philippine Social System (SSS), Philippine Health Insurance Corporation (PhilHealth), Employees' Compensation Commission (ECC) and Home Development Mutual Fund (Pag-IBIG Fund), unless otherwise provided in multilateral or bilateral agreements entered into by the Philippine government with other countries.

3. To make operational on board the vessel the grievance and enforcement machinery provided herein.

4. To provide a seaworthy vessel for the seafarer and take all reasonable precautions to prevent accident and injury to the crew including provision of safety equipment, fire prevention, safe and proper navigation of the vessel and such other precautions necessary to avoid accident, injury or sickness to the seafarer. Included herein is the duty to have an adequately crewed vessel to ensure her safe and efficient operation.

5. To provide a workplace conducive for the promotion and protection of the health of the seafarers.

6. To provide and maintain decent accommodations for seafarers on board, with due regard for adequate ventilation, insulation from noise and vibration, and space requirements as provided in Appendix I hereof.

7. To provide recreational facilities for seafarers working or living on board consistent with promoting the seafarer's health and well-being.

8. To permit the use of shore-based welfare facilities, where available.

9. To be equipped with a Maritime Labour Certificate and Declaration of maritime labour compliance, copies of which shall be available in the accommodation on board of Filipino seafarers.

B. Duties of the Seafarer:

1. To faithfully comply with the provisions hereof, violation of which shall be subject to disciplinary action pursuant to Appendix IV of this law.
2. To abide by the Code of Discipline as provided in the POEA rules and regulations governing overseas contract workers and the Code of ethics for Seafarers;
3. To be obedient to the lawful commands of the Master or any person who shall lawfully succeed him and to comply with company policy including safety policy and procedures and any instructions given in connection therewith.
4. To be diligent in his duties relating to vessel, its stores and cargo, whether on board, in boats or ashore.
5. To conduct himself at all times in an orderly and respectful manner towards shipmates, passengers, shippers, stevedores, port authorities and other persons on official business with the vessel.
6. To take personal responsibility for his health while onboard by practicing a healthy lifestyle which includes taking medications and lifestyle changes as prescribed during his Pre-Employment Medical Examination (PEME) physician.

**SECTION 4. NATURE / COMMENCEMENT / DURATION OF CONTRACT OF EMPLOYMENT**

A. Employment of seafarers is contractual in nature. The provisions of this law apply only to the particular contract which a seafarer is serving even if he has been re-hired by the company under previous contracts.

B. The contract of employment between the company and the seafarer shall commence upon actual departure of the seafarer from a Philippine port in the point of hire. It shall be effective until the seafarer's date of arrival at the point of hire upon termination of his employment pursuant to Section 19 hereof.

C. The period of employment shall be for a period mutually agreed upon by the seafarer and the company but not to exceed 12 months. Any extension of the contract shall be subject to the mutual consent of both parties and shall be documented.

**SECTION 5. FREE PASSAGE FROM THE POINT OF HIRE TO THE PORT OF EMBARKATION**

**The seafarer shall join the vessel and be available for duty at the date and time specified by the company. The seafarer shall travel by air or as otherwise directed at the expense of the company.**

**SECTION 6. BAGGAGE ALLOWANCE**

**The seafarer traveling by air to join a vessel or on repatriation shall be entitled to the normal free baggage allowance offered by the airline company. The cost of any excess baggage shall be for the account of the seafarer.**

**SECTION 7. HYGIENE AND VACCINATION**

A. The seafarer shall keep his quarters and other living spaces such as: mess rooms, toilets, bathrooms, alleyways and recreation rooms in clean condition. The work is to be performed outside the seafarer's regular working hours for which no overtime pay shall be claimed.

B. The seafarer shall submit to the order of the master or to the laws of any country within the territorial jurisdiction of which the vessel may enter to have such vaccination or inoculation or to undertake measures safeguarding his health and the entire crew complement.

## **SECTION 8. WAGES**

A. All seafarers shall be paid for their work regularly and in full in accordance with the contract of employment. They shall be paid monthly wages not later than 15 days of the succeeding month from the date of commencement of the contract until the date of arrival at point of hire upon termination of his employment pursuant to Section 19 hereof.

B. Seafarers shall be given a monthly account of the payments due and the amounts paid to them, including wages, additional payments and the rate of exchange used.

## **SECTION 9. PAYMENT ON BOARD**

**Payment of shipboard pay in foreign ports shall be subject to the currency control regulations at the port abroad and to the official rate of exchange prevailing at the time of payment. Advances shall be at the company's discretion and in accordance with the provisions hereof.**

## **SECTION 10. ALLOTMENTS AND REMITTANCES**

A. The seafarer is required to make an allotment which shall be payable once a month to his designated allottee in the Philippines through any authorized Philippine bank. The company shall provide the seafarer with facilities to do so at no expense to the seafarer. The allotment shall be at least eighty percent (80%) of the seafarer's monthly basic salary.

B. The company may also provide facilities for the seafarer to remit any amount earned in excess of his allotment, including backwages, if any, to his designated allottee in the Philippines through any authorized Philippine bank without any charge to him.

C. The allotments shall be paid to the designated allottee in Philippine currency at the rate of exchange indicated in the credit advice of the local authorized Philippine bank.

## **SECTION 11. FINAL WAGE ACCOUNT & CERTIFICATE OF EMPLOYMENT**

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**The seafarer, upon termination of contract, shall be given a written account of his wages reflecting all deductions therefrom. Where a seafarer is landed in an emergency, the written account of his wages shall be given to him not later than one month from signing off. Upon the seafarer's request, he shall also be provided by the company his certificate of employment or service record without any charge.**

## **SECTION 12. HOURS OF WORK AND REST**

A. The seafarer shall perform not more than fourteen (14) hours of regular work in a period of twenty-four (24) hours. Further, he shall perform not more than forty-

**eight (48) hours of regular work a week. The hours of work shall be determined and prescribed by the master provided that it conforms with customary international practices and standards and as prescribed in paragraph B of this Section.**

B. Regular working hours for the seafarer shall be eight (8) hours in every 24 hours, midnight to midnight, Monday to Sunday. The normal practice is as follows:

1. The day worker shall observe the eight (8) regular working hours during the period from 0600 hours to 1800 hours.

2. The steward personnel shall observe the eight (8) regular working hours during the period from 0500 hours to 2000 hours.

3. The Radio Operator shall observe the eight (8) regular working hours in every twenty-four (24) hours, midnight to midnight, from Monday to Sunday as established by International Telecommunication Conventions and as prescribed by the master.

4. For those who are on sea watch, their working hours shall be eight **(8) hours per day. Staggering of working hours will be at the master's discretion.**

C. A seafarer is entitled to one day of rest per week and rest on public holidays.

D. Hours of rest are not to include short breaks. These hours may be divided into no more than two periods, one of which shall be at least six (6) hours in length, and the interval between consecutive periods of rest shall not exceed fourteen (14) hours.

E. The record of the seafarer's daily hours of work or of his daily hours of rest shall be maintained to allow monitoring of compliance to the above provisions. The seafarer shall be provided a copy of the records pertaining to him which shall be endorsed by the master or a person authorized by the master, and by the seafarer.

F. The foregoing provisions in this section notwithstanding, the right of the master to require a seafarer to perform any hours of work necessary for the immediate safety of the vessel, persons on board or cargo, or for the purpose of giving assistance to other vessel or persons in distress at sea shall not be impaired. Accordingly, the master may suspend the schedule of hours of work or hours of rest and require a seafarer to perform any hours of work necessary until the normal situation has been restored.

### **SECTION 13. OVERTIME & HOLIDAYS**

A. The seafarer shall be compensated for all work performed in excess of the regular eight (8) hours as prescribed above. Page 37 of 44 Overtime pay may be classified as open, fixed or guaranteed.

**In computing overtime, a fraction of the first hour worked shall be considered as one full hour. After the first hour of overtime, any work performed which is less than thirty (30) minutes shall be considered as half an hour and work of more than thirty (30) minutes shall be considered one full hour.**

B. Overtime work may be compensated at the following rates:

1. Open overtime – not less than 125 percent (125%) of the basic hourly rate computed based on two hundred eight (208) regular working hours per month.

2. Guaranteed or fixed overtime – not less than thirty percent (30%) of the basic monthly salary of the seafarer. This fixed rate overtime shall include overtime work performed on Sundays and holidays but shall not exceed one hundred five (105) hours a month.

3. Overtime work for officers shall be computed based on the fixed overtime rate.

4. For ratings, overtime work shall be based on guaranteed or open overtime rate, as mutually agreed upon by the contracting parties. For rating paid on guaranteed overtime, overtime work in excess of 105 hours a month for ratings shall be further compensated by their hourly overtime rate.

C. Any hours of work or duty including hours of watch keeping performed by the seafarer on designated rest days and holidays shall be paid rest day or holiday pay. The following shall be considered as holidays at sea and in port.

<b>New Year's Day</b>	<b>1 January</b>
<b>Maundy Thursday</b>	<b>movable date</b>
<b>Good Friday</b>	<b>movable date</b>
<b>Araw ng Kagitingan (Bataan &amp; April Corregidor Day)</b>	<b>9</b>
<b>Labor Day</b>	<b>1 May</b>
<b>Independence Day</b>	<b>12 June</b>
<b>National Heroes Day</b>	<b>Last Sunday of August</b>
<b>All Saints Day</b>	<b>1 November</b>
<b>Bonifacio Day</b>	<b>30 November</b>
<b>Christmas Day</b>	<b>25 December</b>
<b>Rizal Day</b>	<b>30 December</b>

D. No overtime work and pay shall be considered in relation to Section 11(F) hereof or for the conduct of any fire, boat, or emergency drill.

#### **SECTION 14. LEAVE PAY**

**The seafarer's leave pay shall be in accordance with the number of days of leave per month as agreed upon. Days leave shall not be less than four and a half (4 1/2) days for each month of service and pro-rated. Leave pay shall be settled onboard or settled within two weeks after the arrival of the seafarer at the point of hire.**

#### **SECTION 15. SHORE LEAVE**

**The seafarer shall be allowed shore leave when practicable, upon the consent of the master or his deputy, taking into consideration the operations and safety of the vessel.**

#### **SECTION 16. SUBSISTENCE, SHIP STORES AND PROVISIONS**

A. The seafarer shall be provided by the company with subsistence consistent with good maritime standards and practices while on board the vessel.

B. Food and water served on board shall be of appropriate quality, nutritional value and quantity that adequately covers the requirements of the vessel and takes into account the differing cultural and religious backgrounds.

C. All stores and provisions issued to the seafarer are only for use and consumption on board the vessel and any unused or unconsumed stores or provisions shall



**remain the property of the employer. The seafarer shall not take ashore, sell, destroy or give away such stores and provisions.**

#### **SECTION 17. TRANSFER CLAUSE**

**The seafarer agrees to be transferred at any port to any vessel owned or operated, manned or managed by the same company, provided that the position of the seafarer and the rate of his wages and terms of service are in no way inferior to and the total period of employment shall not exceed that originally agreed upon.**

**Any form of transfer shall be documented and made available when necessary.**

#### **SECTION 18. GRIEVANCE MACHINERY**

A. If the seafarer considers himself aggrieved in any way in relation to his employment, he shall make his complaint in accordance with the following procedures:

1. The seafarer shall first approach the head of the Department in which he is assigned to explain his grievance.

a. In the Deck, Radio and Catering Department, the head is the Chief mate.

b. In the Engine Department, the head is the Chief Engineer.

c. In the Catering and/or Hotel Department in a passenger vessel, the head is the Chief Steward and /or Purser.

2. The seafarer shall make his grievance in writing and in an orderly manner and shall choose a time when his complaint or grievance can be properly heard.

3. The seafarer may also seek the assistance of the highest-ranking Filipino seafarer on board.

4. The Department head shall deal with the complaint or grievance and where solution is not possible at his level, refer the complaint or grievance to the Master who shall handle the case personally.

5. If no satisfactory result is achieved, the seafarer concerned may appeal to the management of the company or with the Philippine Overseas Labor Office or consular officer overseas. The master shall afford such facilities necessary to enable the seafarer to transmit his appeal.

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B. When availed of by the seafarer, the grievance procedure and all actions or decisions agreed upon shall be properly documented for the protection and interest of both parties.

C. The aggrieved seafarer whose employment is covered by an existing CBA shall elevate any unsatisfactory resolution of his grievance to voluntary arbitration as agreed upon under the CBA.

D. The foregoing procedure shall be without prejudice to other modes of settlement of disputes and to the jurisdiction of the POEA or the NLRC over any

unresolved complaints arising out of shipboard employment that shall be brought before it by the seafarer.

## **SECTION 19. DISCIPLINARY PROCEDURES**

### **The master shall comply with the following disciplinary procedures against an erring seafarer:**

A. The master shall furnish the seafarer with a written notice containing the following:

1. Grounds for the charges as listed in Appendix IV hereof or analogous act constituting the same.

2. Date, time and place for a formal investigation of the charges against the seafarer concerned.

B. The master or his authorized representative shall conduct the investigation or hearing to give the seafarer the opportunity to explain or defend himself against the charges. These procedures must be duly documented and entered in the vessel logbook.

C. If after the investigation or hearing the master is convinced that imposition of a penalty is justified, he shall issue a written notice of penalty and the reasons for it to the seafarer, with copies furnished to the Philippine crewing agent.

D. Dismissal for just cause may be affected by the master without furnishing the seafarer with a notice of dismissal if there is a clear and existing danger to the safety of the crew or the vessel. The master shall send a complete report, substantiated by witnesses, testimonies and any other documents in support thereof, to the crewing agency.

## **SECTION 20. TERMINATION OF EMPLOYMENT**

A. The employment of the seafarer shall cease when the seafarer completes his period of contractual service aboard the vessel, signs-off from the vessel and arrives at the point of hire.

B. The employment of the seafarer is also terminated effective upon arrival at the point of hire for any of the following reasons:

1. When the seafarer signs-off and is disembarked for medical reasons pursuant to Section 23(A) hereof.

2. When the seafarer signs-off due to shipwreck, vessel sale, lay-up of vessel, discontinuance of voyage or change of vessel principal in accordance with Sections 25, 26 and 29 hereof.

3. When the seafarer, in writing, voluntarily resigns and signs off prior to expiration of contract pursuant to Section 21(H) hereof.

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4. When the seafarer is discharged for just cause as provided for in Appendix IV hereof.

## **SECTION 21. REPATRIATION**

A. The right of a Filipino seafarer to be repatriated shall be inviolable. Repatriation shall be demanded by a seafarer primarily from the company. The POEA shall provide assistance to the seafarer for his repatriation especially where the company fails to effect repatriation. For this purpose, the POEA shall coordinate with the flag state and the state where the seafarer may be found.

B. If the vessel is outside the Philippines upon the expiration of the contract, the seafarer shall continue his service on board until the vessel's arrival at a convenient port and after arrival of the replacement crew, provided that, in any case, the continuance of such service shall not exceed three months. The seafarer shall be entitled to earned wages and benefits as provided herein.

C. If the vessel arrives at a convenient port before the expiration of the contract, the company may repatriate the seafarer from such port, provided that the unserved portion of his contract is not more than (1) month. The seafarer shall be entitled only to his earned wages, earned leave pay and to his basic wages corresponding to the unserved portion of the contract, unless within 60 days from signing off, the seafarer is rehired at the same rate and position, in which case the seafarer shall be entitled only to his earned wages and earned leave pay.

D. If the vessel arrives at a convenient port within a period of three (3) months before the expiration of his contract, the company may repatriate the seafarer from such port provided that the seafarer shall be paid all his earned wages. In addition, the seafarer shall also be paid his leave pay for the entire contract period plus a termination pay equivalent to one (1) month of his basic pay. This mode of termination may only be exercised by the company if the original contract period of the seafarer is at least nine (9) months and shall not apply to dismissal for cause.

E. The seafarer, if discharged at a port abroad for any reason, shall be repatriated to the Philippines via air transport or as may otherwise be directed by the company. He shall be provided with accommodation and food, allowances and medical treatment, if necessary, until he arrives at the point of hire.

F. The seafarer, when discharged and repatriated as directed by the company shall be entitled to basic wages from date of signing off until arrival at the point of hire except when the discharge is in accordance with the above or for disciplinary reasons.

G. If the seafarer delays or desires a detour or proceeds to a destination other than the travel itinerary arranged by the company back to the point of hire, the employment of the seafarer will be considered terminated at the time the seafarer signs off from the vessel. All additional expenses shall be to the seafarer's account. The seafarer shall be entitled to earned wages and basic wage calculated based on the original scheduled date of arrival at the point of hire. All other responsibilities of the company in this event shall cease from the time the seafarer signs off from the vessel. Any illness, injury or death sustained by the seafarer under the foregoing circumstances shall be considered non-work-related and shall not be compensated.

H. A seafarer who requests for early termination of his contract shall be liable for his repatriation cost as well as the transportation cost of his replacement. The employer may, in case of compassionate grounds, assume the transportation cost of the seafarer's replacement.

I. When the seafarer is discharged for any just cause, the employer shall have the right to recover the costs of his replacement and repatriation from the seafarer's wages and other earnings.

J. The seafarer shall report to the manning agency within 72 hours upon arrival at the point of hire for proper de-briefing.

## **SECTION 22. ENFORCEMENT MECHANISM**

A. To ensure that the provisions of this law are known to the seafarer, the company shall provide a copy hereof in every accommodation of a Filipino seafarer as soon as he joins his vessel of assignment pursuant to his contract of employment.

B. Within a reasonable period, the Master or his deputized officer shall explain to the joining seafarer the existence of this Act as describing the terms and conditions of his employment. This event shall be entered in the vessel logbook.

C. A copy of the Maritime Labour Certificate and Declaration of Labor Compliance shall likewise be provided in every accommodation of a Filipino seafarer.

D. Any violation by the Company of this law shall be immediately reported by any interested party to the POEA or to any Port State Control of the port at which the vessel is calling.

E. In view of the possibility of strained relations between the company and the seafarer, a seafarer whose employment is terminated for reporting a violation committed by the company under this law shall be entitled to separation pay equivalent to three (3) months of his basic wage.

## **SECTION 23. COMPENSATION AND BENEFITS**

### **A. COMPENSATION AND BENEFITS FOR INJURY OR ILLNESS**

1. The company shall provide compensation and benefits, as herein provided, to the seafarer who sustains a work-related injury or illness in respect of his contract of employment.

2. The employer shall continue to pay the seafarer his wages during the time he is on board the vessel.

3. If the injury or illness requires medical or dental treatment in a foreign port, the employer shall be liable for the full cost of such medical, serious dental, surgical or hospital treatment as well as board and lodging until the seafarer is declared fit to resume work or for repatriation. The company shall bear the full cost of repatriation in the event the seafarer is declared (1) for repatriation; or (2) fit to resume work but the employer is unable to find employment for the seafarer on board his former vessel or another vessel of the company.

4. If after repatriation the seafarer still requires medical attention arising from said injury or illness, he shall be so provided at cost to the employer until such time that he is declared maximally medically improved or the degree of his disability has been established by the company-designated physician.

**For this purpose, the seafarer shall submit himself to a post-employment medical examination by a company-designated physician within three working days upon his arrival in the point of hire, except when he is physically incapacitated to do so. In such case, a written notice to the crewing agency within the same period is deemed compliance. In the course of the treatment, the seafarer shall also report regularly to the company-designated physician specifically on the dates as prescribed by the company-designated physician and agreed to by the seafarer.**

**Failure of the seafarer to comply with the three-day reporting requirement or abandonment of his medical treatment**

**with the company- designated physician shall result in his forfeiture of the right to claim employment benefits and compensation.**

5. In addition to the above obligation of the company to provide medical attention, the seafarer shall also receive sickness allowance from the company in an amount equivalent to his basic wage computed from the time he signed off until he is declared maximally medically improved or the degree of his disability has been assessed by the company-designated physician. Sickness allowance shall be paid on a regular basis, but not less than once a month. In any event, the period within which the seafarer shall be entitled to sickness allowance shall not exceed the unserved portion of his contract or 120 days, whichever comes earlier.

6. The seafarer shall be entitled to reimbursement of the cost of medicines prescribed by the company-designated physician. In case treatment of the seafarer is on an out-patient basis as determined by the company-designated physician, the reasonable cost of actual travel expenses and accommodation shall be reimbursed as well subject to liquidation and submission of official receipts as proof of expenses.

7. Notwithstanding the provisions of existing laws, the degree of disability of the seafarer on account of injury or illness shall be compensated in accordance with the schedule of benefits enumerated in Appendix II hereof. Unless compensation falls within the provisions of an applicable CBA, compensation shall be based solely on the gradings provided in Appendix II hereof.

**Computation of his benefits arising from an illness or disease shall be governed by the rates and the rules of compensation applicable at the time the illness or disease was contracted.**

8. The company-designated physician is the person authorized to assess the seafarer in relation to the nature of his illness, his medical status or the degree of his disability among others. If, on second opinion, the seafarer disagrees with the assessment of the company-designated physician, a third doctor may be agreed jointly between the company and the seafarer. The third doctor's decision shall be final and binding on both parties.

**7. It is understood and agreed that the benefits mentioned above shall in addition to whatever benefits which the seafarer is entitled to under Philippine laws such as from the Social Security System, Overseas Workers Welfare Administration, Employees' Compensation Commission, Philippine Health Insurance Corporation and Home Development Mutual Fund (Pag-IBIG Fund).**

#### B. COMPENSATION AND BENEFITS FOR DEATH

1. In case of a work-related death of the seafarer, the employer shall pay his beneficiaries the Philippine Currency equivalent of the amount of Fifty Thousand US dollars (US\$ 50,000) and an additional amount of Seven Thousand US dollars (US\$ 7,000) for each child under the age of twenty-one (21) but not exceeding four (4) children, at the exchange rate prevailing during the time of payment.

2. Where death is caused by warlike activity while sailing within a declared war zone or war risk area, the compensation payable shall be doubled. The employer shall undertake appropriate war zone insurance coverage for this purpose.

3. Benefits mentioned above shall be in addition to whatever benefits which the seafarer is entitled to under Philippine laws from the Social Security System, Overseas Workers Welfare Administration, Employees'



**Compensation Commission, Philippine Health Insurance Corporation and Pag-IBIG, if applicable.**

4. When the seafarer dies as a result of a work-related injury or illness during the term of employment:

a. The company shall advise the family of such fact within a reasonable time. Likewise, the company shall regularly update them on efforts to transport the seafarer's remains.

b. The company shall transport the remains and personal effects of the seafarer to the Philippines at employer's expense, except if the death occurred in a port where local government laws or regulations do not permit the transport of such remains. In case death occurs at sea, the disposition of the remains shall be handled or dealt with in accordance with the master's best judgment. In all cases, the company shall communicate with the crewing agency to advise in relation to the disposition of the seafarer's remains.

c. The company shall pay the deceased's beneficiary all outstanding obligations due the seafarer under the contract.

d. The company shall pay the beneficiaries of the seafarer the Philippines currency equivalent to the amount of One Thousand US dollars (US\$ 1,000) for burial expenses at the exchange rate prevailing during the time of payment.

5. In cases of a missing seafarer, death is presumed after the lapse of two (2) years from when he was reported to be missing. The lapse of such period gives rise to the cause of action to claim benefits. In any event, the company shall regularly update the beneficiaries on search and rescue efforts concerning the missing seafarer.

C. It is understood that computation of the total permanent or partial disability of the seafarer caused by the injury sustained resulting from warlike activities within the war zone area shall be based on the compensation rate payable within the war zone area as prescribed herein.

D. No compensation and benefits shall be payable in respect of any illness, injury, incapacity, disability or death of the seafarer resulting from his willful or criminal act or intentional breach of his duties, provided however, that the employer can prove that such illness, injury, incapacity, disability or death is directly attributable to the seafarer.

E. A seafarer who fails to disclose a pre-existing medical condition in the pre-employment medical examination shall be disqualified from any compensation and benefits, provided that such condition cannot be detected by the ordinary tests during said examination. This failure to disclose may also be a valid ground for termination of employment and imposition of the appropriate administrative and legal sanctions.

F. When requested, the principal shall furnish the seafarer a copy of all pertinent medical reports or any records at no cost to the seafarer.

G. The seafarer or his successor in interest acknowledges that payment for injury, illness, incapacity, disability or death of the seafarer under this contract shall cover all claims arising from or in the course of the seafarer's employment, including but not limited to damages arising from the contract, tort, fault or negligence under the laws of the Philippines or any other country.

## **SECTION 24. WAR AND WARLIKE OPERATIONS ALLOWANCE**

A. The POEA shall be the sole authority to determine whether the vessel is within a war risk trading area. It shall also determine the amount of premium pay to which the seafarer shall be entitled to when sailing in that war-risk trading area.

B. The seafarer when sailing within a war-risk trading area shall be entitled to such premium pay as the POEA may determine through appropriate periodic issuances.

C. If at the time of the signing of the contract, an area is declared a war or war-risk trading area and the seafarer binds himself in writing to sail into that area, the agreement shall be properly appended to the contract for verification and approval by the Philippine Overseas Employment Administration (POEA). The seafarer shall comply with the agreement or shall bear his cost of repatriation when he later opts not to sail into a war or war-risk trading area.

D. If a war or warlike operation should arise during the term his employment in any country within the vessel's trading area, the seafarer may sail with the vessel within and out of the trading area if required by the Master.

## **SECTION 25. TERMINATION DUE TO SHIPWRECK**

**Where the vessel is wrecked necessitating the termination of employment before the date indicated in the contract, the seafarer shall be entitled to earned wages, medical examination at employer's expense to determine his medical condition, repatriation at employer's cost and one (1) month basic wage as termination pay.**

## **SECTION 26. TERMINATION DUE TO VESSEL SALE, LAY-UP OR DISCONTINUANCE OF VOYAGE**

**Where the vessel is sold, laid up, or the voyage is discontinued necessitating the termination of employment before the date indicated in the contract, the seafarer shall be entitled to earned wages, repatriation at employer's cost and one (1) month basic wage as termination pay, unless arrangements have been made for the seafarer to join another vessel belonging to the same principal to complete his contract which case the seafarer shall be entitled to basic wages until the date of joining the other vessel.**

## **SECTION 27. TERMINATION DUE TO UNSEAWORTHINESS**

A. If the vessel is declared unseaworthy by the classification society, port state or flag state, the seafarer shall not be forced to sail with the vessel.

B. If the vessel's unseaworthiness necessitates the termination of employment before the date indicated in the contract, the seafarer shall be entitled to earned wages, repatriation at cost to the employer and termination pay equivalent to one (1) month basic wage.

## **SECTION 28. TERMINATION DUE TO REGULATION 1/4, CONTROL PROCEDURES OF THE 1978 STCW CONVENTION, AS AMENDED**

**If the seafarer is terminated and repatriated as a result of port state control procedures/action in compliance with Regulation 1/4, of the 1978 STCW Convention, as amended, his termination shall be considered valid. However, he shall be entitled to repatriation, earned**

**wages and other benefits provided herein.**

**SECTION 29. CHANGE OF PRINCIPAL**

A. Where there is change of principal of the vessel necessitating the termination of employment of the seafarer before the date indicated in the contract, the seafarer shall be entitled to earned wages, repatriation at employer's expense and one month basic pay as termination pay.

B. If by mutual agreement, the seafarer continues his service on board the same vessel, such service shall be treated as a new contract. In this case, the seafarer shall be entitled to earned wages only.

C. In case arrangements have been made for the seafarer to join another vessel to complete his contract, the seafarer shall be entitled to basic wage until the date of joining the other vessel.

### **SECTION 30. LOSS OF OR DAMAGE TO CREW'S EFFECTS BY MARINE PERIL**

A. The seafarer shall be reimbursed by the employer the full amount of loss or damage to his personal effects but in no case shall the amount exceed the Philippine currency equivalent of the amount of Two Thousand US dollars (US\$ 2,000) if his personal effects are lost or damaged as a result of the wreck or loss or stranding or abandonment of the vessel or as a result of fire, flooding, collision or piracy.

B. In case of partial loss, the amount shall be determined by mutual agreement of both parties but in no case to exceed the Philippine currency equivalent to the amount of Two Thousand US dollars (US\$ 2,000).

C. Reimbursement for loss or damage to the seafarer's personal effects shall not apply if such loss or damage is due to (a) the seafarer's own fault; (b) theft, or (c) robbery.

D. Payment of any reimbursement shall be computed at the rate of exchange prevailing at the time of payment.

### **SECTION 31. GENERAL SAFETY**

A. The seafarer shall observe and follow any regulation or restriction that the master may impose concerning safety, drug and alcohol and environmental protection.

B. The seafarer shall make use of all appropriate safety equipment provided him and must ensure that he is suitably dressed from the safety point of view for the work at hand.

### **SECTION 32. DISPUTE SETTLEMENT PROCEDURES**

A. In cases of claims and disputes arising from this employment, the parties covered by a collective bargaining agreement shall submit the claim or dispute to the original and exclusive jurisdiction of the voluntary arbitrator or panel of arbitrators. If the parties are not covered by a collective bargaining agreement, the parties may, at their option, submit the claim or dispute to either the original and exclusive jurisdiction of the National Labor Relations Commission (NLRC), pursuant to Republic Act of 1995 or to the original and exclusive jurisdiction of the voluntary arbitrator or panel of arbitrators. If there is no provision as to the voluntary arbitrators to be appointed by the parties, the same shall be appointed from the accredited voluntary arbitrators of the National Conciliation and Mediation Board of the Department of Labor and Employment.

B. Notwithstanding the provisions of existing legislation and rules of procedure, monetary awards rendered in said voluntary or compulsory arbitration

**proceedings may be satisfied through an Escrow Agreement pending review by a higher Court. This mode of payment shall be available, provided that said award has been elevated to the reviewing body within 30 days from the date said award is made.**

C. The Philippine Overseas Employment Administration (POEA) shall exercise original and exclusive jurisdiction to hear and decide disciplinary action on cases, which are administrative in character, involving or arising out of violations of recruitment laws, rules and regulations involving employers, principals, contracting partners and Filipino seafarers.

### **SECTION 33. PRESCRIPTION OF ACTION**

**All claims arising from a seafarer's contract of employment shall be made within three (3) years from the date cause of action arises, otherwise the same shall be barred.**

### **SECTION 34. EXCLUSIVE JURISDICTION AND APPLICABLE LAW**

**Any unresolved dispute, claim or grievance arising out of or in connection with a seafarer's contract of employment shall be cognizable by the proper court/tribunal/agency of the Republic of the Philippines, to the exclusion of other foreign tribunals, and shall be governed by the laws of the Republic of the Philippines.**

### **SECTION 35. REPEALING CLAUSE**

**All existing laws, orders, decrees, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.**

### **SECTION 36. EFFECTIVITY**

**This Act shall take effect fifteen (15) days from its publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.**

## APPENDIX I. ACCOMMODATION AND RECREATIONAL FACILITIES

### **Purpose: To ensure that seafarers have decent accommodation and recreational facilities on board**

1. The company shall ensure that its ship provide and maintain decent accommodations and recreational facilities for seafarers working or living on board, or both, consistent with promoting the seafarers' health and well-being.

2. The requirements provided herein in relation to ship construction and equipment apply only to ships constructed on or after June 2014. For ships constructed before that date, the requirements relating to ship construction and equipment that are set out in the Accommodation of Crews Convention (Revised), 1949 (No. 92), and the Accommodation of Crews (Supplementary Provisions) Convention, 1970 (No. 133), shall continue to apply to the extent that they were applicable, prior to that date.. A ship shall be deemed to have been constructed on the date when its keel is laid or when it is at a similar stage of construction.

### **Accommodation and recreational facilities Standards**

1. The company shall ensure that its ships:
  - (a) meet minimum standards to ensure that any accommodation for seafarers, working or living on board, or both, is safe, decent and in accordance with the relevant provisions of this Standard; and
  - (b) are inspected to ensure initial and ongoing compliance with those standards.
  
2. The company shall take into account the following factors in regard to the design of its ships to ensure the well-being of seafarers:
  - (a) the size of rooms and other accommodation spaces;
  - (b) heating and ventilation;
  - (c) noise and vibration and other ambient factors;
  - (d) sanitary facilities;
  - (e) lighting; and
  - (f) hospital accommodation.
  
3. The company shall provide the accommodation and recreational facilities that are set out herein.
  
4. With respect to general requirements for accommodation:
  - (a) there shall be adequate headroom in all seafarer accommodation; the minimum permitted headroom in all seafarer accommodation where full and free movement is necessary shall be not less than 203 centimetres; the design may permit some limited reduction in headroom in any space, or part of any space, in such accommodation where it is satisfied that such reduction:
    - (i) is reasonable; and
    - (ii) will not result in discomfort to the seafarers;
  - (b) the accommodation shall be adequately insulated;
  - (c) in ships other than passenger ships, as defined in Regulation 2(e) and (f) of the International Convention for the Safety of Life at Sea, 1974, as amended (the "SOLAS Convention"), sleeping rooms shall be situated above the load line amidships or aft, except that in exceptional cases, where the size, type or intended service of the ship renders any other location impracticable, sleeping rooms may be located in the fore part of the ship, but in no case forward of the collision bulkhead;
  - (d) in passenger ships, and in special ships constructed in compliance with the IMO Code of Safety for Special Purpose Ships, 1983, and subsequent

**versions (hereinafter called “special purpose ships”), the location of sleeping rooms may be permitted below the load line, on condition that satisfactory arrangements are made for lighting and ventilation. In no case shall they be located immediately beneath working alleyways;**

(e) There shall be no direct openings into sleeping rooms from cargo and machinery spaces or from galleys, storerooms, drying rooms or communal sanitary areas; that part of a bulkhead separating such places from sleeping rooms and external bulkheads shall be efficiently constructed of steel or other approved substance and be watertight and gas-tight;

(f) the materials used to construct internal bulkheads, panelling and sheeting, floors and joinings shall be suitable for the purpose and conducive to ensuring a healthy environment;

(g) proper lighting and sufficient drainage shall be provided; and

(h) accommodation and recreational and catering facilities shall take into account health and safety protection and accident prevention, as well as preventing the risk of exposure to hazardous levels of noise and vibration and other ambient factors and chemicals on board ships in order to provide an acceptable occupational and onboard living environment for seafarers.

5. With respect to requirements for ventilation and heating:

(a) sleeping rooms and mess rooms shall be adequately ventilated;

(b) ships, except those regularly engaged in trade where temperate climatic conditions do not require this, shall be equipped with air conditioning for seafarer accommodation, for any separate radio room and for any centralized machinery control room;

(c) all sanitary spaces shall have ventilation to the open air, independently of any other part of the accommodation; and

(d) adequate heat through an appropriate heating system shall be provided, except in ships exclusively on voyages in tropical climates.

6. With respect to requirements for lighting, subject to such special arrangements as may be permitted in passenger ships, sleeping rooms and mess rooms shall be lit by natural light and provided with adequate artificial light.

7. When sleeping accommodation on board ships is required, the following requirements for sleeping rooms apply:

(a) in ships other than passenger ships, an individual sleeping room shall be provided for each seafarer; in the case of ships of less than 3,000 gross tonnage or special purpose ships, exemptions from this requirement may be granted by the competent authority after consultation with the shipowners' and seafarers' organizations concerned;

(b) separate sleeping rooms shall be provided for men and for women;

(c) sleeping rooms shall be of adequate size and properly equipped so as to ensure reasonable comfort and to facilitate tidiness;

(d) a separate berth for each seafarer shall in all circumstances be provided;

(e) the minimum inside dimensions of a berth shall be at least 198 centimetres by 80 centimetres;

(f) in single berth seafarers' sleeping rooms the floor area shall not be less than:

i. 4.5 square metres in ships of less than 3,000 gross tonnage;

ii. 5.5 square metres in ships of 3,000 gross tonnage or over but less than 10,000 gross tonnage;

iii. 7 square metres in ships of 10,000 gross tonnage or over;

(g) however, in order to provide single berth sleeping rooms on ships of less than 3,000 gross tonnage, passenger ships and special purpose ships, a reduced floor area may be allowed;

(h) in ships of less than 3,000 gross tonnage other than passenger ships and special purpose ships, sleeping rooms may be occupied by a maximum of two seafarers; the floor area of such sleeping rooms shall not be less than 7 square metres;

(i) on passenger ships and special purpose ships the floor area of sleeping rooms for seafarers not performing the duties of ships' officers shall not be less than:

- i. 7.5 square metres in rooms accommodating two persons;
- ii. 11.5 square metres in rooms accommodating three persons;
- iii. 14.5 square metres in rooms accommodating four persons;

(j) on special purpose ships sleeping rooms may accommodate more than four persons; the floor area of such sleeping rooms shall not be less than 3.6 square metres per person;

(k) on ships other than passenger ships and special purpose ships, sleeping rooms for seafarers who perform the duties of ships' officers, where no private sitting room or day room is provided, the floor area per person shall not be less than:

- i. 7.5 square metres in ships of less than 3,000 gross tonnage;
- ii. 8.5 square metres in ships of 3,000 gross tonnage or over but less than 10,000 gross tonnage;
- iii. 10 square metres in ships of 10,000 gross tonnage or over;

(l) on passenger ships and special purpose ships the floor area for seafarers performing the duties of ships' officers where no private sitting room or day room is provided, the floor area per person for junior officers shall not be less than 7.5 square metres and for senior officers not less than 8.5 square metres; junior officers are understood to be at the operational level, and senior officers at the management level;

(m) the master, the chief engineer and the chief navigating officer shall have, in addition to their sleeping rooms, an adjoining sitting room, day room or equivalent additional space; ships of less than 3,000 gross tonnage may be exempted from this requirement;

(n) for each occupant, the furniture shall include a clothes locker of ample space (minimum 475 litres) and a drawer or equivalent space of not less than 56 litres; if the drawer is incorporated in the clothes locker then the combined minimum volume of the clothes locker shall be 500 litres; it shall be fitted with a shelf and be able to be locked by the occupant so as to ensure privacy;

(o) each sleeping room shall be provided with a table or desk, which may be of the fixed, drop-leaf or slide-out type, and with comfortable seating accommodation as necessary.

8. With respect to requirements for mess rooms:

(a) mess rooms shall be located apart from the sleeping rooms and as close as practicable to the galley; ships of less than 3,000 gross tonnage may be exempted by the competent authority from this requirement after consultation with the shipowners' and seafarers' organizations concerned; and

(b) mess rooms shall be of adequate size and comfort and properly furnished and equipped (including ongoing facilities for refreshment), taking account of the number of seafarers likely to use them at any one time; provision shall be made for separate or common mess room facilities as appropriate.

9. With respect to requirements for sanitary facilities:

(a) all seafarers shall have convenient access on the ship to sanitary facilities meeting minimum standards of health and hygiene and reasonable standards of comfort, with separate sanitary facilities being provided for men and for women;



(b) there shall be sanitary facilities within easy access of the navigating bridge and the machinery space or near the engine room control centre; ships of less than 3,000 gross tonnage may be exempted by the from this requirement;

(c) in all ships a minimum of one toilet, one wash basin and one tub or shower or both for every six persons or less who do not have personal facilities shall be provided at a convenient location;

(d) with the exception of passenger ships, each sleeping room shall be provided with a washbasin having hot and cold running fresh water, except where such a washbasin is situated in the private bathroom provided;

(e) in passenger ships normally engaged on voyages of not more than four hours' duration, a reduction in the number of facilities may be considered; and

(f) hot and cold running fresh water shall be available in all wash **places.**

10. With respect to requirements for hospital accommodation, ships carrying 15 or more seafarers and engaged in a voyage of more than three days' duration shall provide separate hospital accommodation to be used exclusively for medical purposes; such on-board hospital accommodation will, in all weathers, be easy of access, provide comfortable housing for the occupants and be conducive to their receiving prompt and proper attention.

11. Appropriately situated and furnished laundry facilities shall be available.

12. All ships shall have a space or spaces on open deck to which the seafarers can have access when off duty, which are of adequate area having regard to the size of the ship and the number of seafarers on board.

13. All ships shall be provided with separate offices or a common ship's offices for use by deck and engine departments; ships of less than 3,000 gross tonnage may be exempted from this requirement.

14. Ships regularly trading to mosquito-infested ports shall be fitted with appropriate and effective devices.

15. Appropriate seafarers' recreational facilities, amenities and services, as adapted to meet the special needs of seafarers who must live and work on ships, shall be provided on board for the benefit of all seafarers.

16. The company shall ensure that seafarer accommodation is clean, decently habitable and maintained in a good state of repair.

**APPENDIX II. SCHEDULE OF DISABILITY OR IMPEDIMENT FOR INJURIES SUFFERED AND DISEASES INCLUDING OCCUPATIONAL DISEASES OR ILLNESS CONTRACTED.**

**HEAD**

Traumatic head injuries that result in:

1. Aperture unfilled with bone not over three (3) inches without brain injury .....Gr.9
2. Aperture unfilled with bone over three (3) inches without brain injury.....Gr.3
3. Severe paralysis of both upper or lower extremities or one upper and one lower extremity ..... Gr.1
4. Moderate paralysis of two (2) extremities producing moderate difficulty in movements with self-care activities .....Gr.6
5. Slight paralysis affecting one extremity producing slight difficulty with self-care activities ..... Gr.10
6. Severe mental disorder or Severe Complex Cerebral function disturbance or Post-traumatic psychoneurosis which require aid and attendance as to render worker permanently unable to perform any work.....Gr.1
7. Moderate mental disorder or moderate brain functional disturbance which limits worker to the activities of daily living with some directed care or attendance.....Gr.6
8. Slight mental disorder or disturbance that requires little attendance or aid and which interferes to a slight degree with the working capacity of the claimant .....Gr.10
9. Incurable imbecility .....Gr.1

**FACE**

1. Severe disfigurement of the face or head as to make the worker so repulsive as to greatly handicap him in securing or retaining employment, thereby being no permanent functional disorder.....Gr.2
2. Moderate facial disfigurement involving partial ablation of the nose with big scars on face or head.....Gr.5
3. Partial ablation of the nose or partial avulsion of the scalp..... Gr.9
4. Complete loss of the power of mastication and speech function.....Gr.1
5. Moderate constriction of the jaw resulting in moderate degree of difficulty in chewing and moderate loss of the power or the expression of speech..... Gr.6
6. Slight disorder of mastication and speech function due to traumatic injuries to jaw or cheek bone..... Gr.12

**EYES**

1. Blindness or total and permanent loss of vision of both eyes .....Gr.1
2. Total blindness of one (1) eye and fifty percent (50%) loss of vision of the other eye .....Gr.5
3. Loss of one eye or total blindness of one eye .....Gr.7
4. Fifty percent (50%) loss of vision of one eye .....Gr.10
5. Lagophthalmos, one eye ..... Gr.12
6. Ectropion, one eye ..... Gr.12
7. Ephemora, one eye .....Gr.12
8. Ptosis, one eye .....Gr.12

## NOSE AND MOUTH

1. Considerable stricture of the nose (both sides) hindering breathing.....Gr. 11
2. Loss of the sense of hearing in one ear.....Gr. 11
3. Injuries to the tongue (partial amputation or adhesion) or palate-causing defective speech.....Gr. 10
4. Loss of three (3) teeth restored by prosthesis..... Gr. 14

## EARS

1. For the complete loss of the sense of hearing on both ears..... Gr. 3
2. Loss of two (2) external ears.....Gr. 8
3. Complete loss of the sense of hearing in one ear.....Gr. 11
4. Loss of one external ear.....Gr. 12
5. Loss of one half (1/2) of an external ear.....Gr. 14

## NECK

1. Such injury to the throat as necessitates the wearing of a tracheal tube.....Gr. 6
2. Loss of speech due to injury to the vocal cord.....Gr. 9
3. Total stiffness of neck due to fracture or dislocation of the cervical pines.....Gr. 8
4. Moderate stiffness or two thirds (2/3) loss of motion of the neck.....Gr. 10
5. Slight stiffness of neck or one third (1/3) loss of motion.....Gr. 12

## CHEST-TRUNK-SPINE

1. Fracture of four (4) or more ribs resulting to severe limitation of chest expansion.....Gr. 6
2. Fracture of four (4) or more ribs with intercostal neuralgia resulting in moderate limitation of chest expansion..... Gr. 9
3. Slight limitation of chest expansion due to simple rib functional without myositis or intercostal neuralgia..... Gr.12
4. Fracture of the dorsal or lumbar spines resulting to severe or total rigidity of the trunk or total loss of lifting power of heavy objects..... Gr. 6
5. Moderate rigidity or two thirds (2/3) loss of motion or lifting power of the trunk Gr. 8
6. Slight rigidity or one third (1/3) loss of motion or lifting power of the trunk..... Gr. 11
7. Injury to the spinal cord as to make walking impossible without the aid of a pair of crutches..... Gr. 4
8. Injury to the spinal cord as to make walking impossible even with the aid of a pair of crutches.....Gr. 1
9. Injury to the spinal cord resulting to incontinence of urine and feces.....Gr. 1

## ABDOMEN

1. Loss of the spleen.....Gr. 8
2. Loss of one kidney..... Gr. 7
3. Severe residuals of impairment of intra-abdominal organs which requires regular aid and attendance that will unable worker to seek any gainful employment..... Gr. 1
4. Moderate residuals of disorder of the intra-abdominal organs secondary to trauma resulting in impairment of nutrition, slight tenderness and/or constipation or diarrhea.....Gr. 7

5. Slight residuals or disorder of the intra-abdominal organs resulting in impairment of nutrition, slight tenderness and/or constipation or diarrhea.....Gr. 12
6. Inguinal hernia secondary to trauma or strain.....Gr. 12

## PELVIS

1. Fracture of the pelvic rings as to totally incapacitate worker to work.....Gr. 1
2. Fracture of the pelvic ring resulting to deformity and lameness.....Gr. 6

## URINARY AND GENERATIVE ORGANS

1. Total loss of penis.....Gr. 7
2. Total loss of both testicles.....Gr. 7
3. Total loss of one testicle.....Gr. 11
4. Scars on the penis or destruction of the parts of the cavernous body or urethra interfering with erection or markedly affecting coitus.....Gr. 9
5. Loss of one breast.....Gr. 11
6. Prolapse of the uterus.....Gr. 6
7. Great difficulty in urinating.....Gr. 13
8. Incontinence of urine.....Gr. 10

## THUMBS AND FINGERS

1. Total loss of one thumb including metacarpal bone.....Gr. 9
2. Total loss of one thumb.....Gr. 10
3. Total loss on one index finger including metacarpal bone.....Gr. 10
4. Total loss of one index finger.....Gr. 11
5. Total loss of one middle finger including metacarpal bone.....Gr. 11
6. Total loss of one middle finger.....Gr. 12
7. Total loss of one ring finger including metacarpal bone.....Gr. 12
8. Total loss of one ring finger.....Gr. 13
9. Total loss of one small finger including metacarpal bone.....Gr. 13
10. Total loss of one small finger.....Gr. 14
11. Loss of two (2) or more fingers: Compensation for the loss or loss of use of two (2) or more fingers or one (1) or more phalanges of two or more digits of a hand must be proportioned to the loss of the hand occasioned thereby but shall not exceed the compensation for the loss of a hand:
  - a. Loss of five (5) fingers of one hand.....Gr. 6
  - b. Loss of thumb, index fingers and any of 2 or more fingers of the same hand.....Gr. 6
  - c. Loss of the thumb, index finger and any one of the remaining fingers of the same hand.....Gr. 7
  - d. Loss of thumb and index finger.....Gr. 8
  - e. Loss of three (3) fingers of one hand not including thumb and index finger.....Gr. 9
  - f. Loss of the index finger and any one of the other fingers of the same hand excluding thumb.....Gr. 9
  - g. Loss of two (2) digits of one hand not including thumb and index finger.....Gr. 10
12. Loss of ten (10) fingers of both hand.....Gr. 3

## HANDS

1. Total loss of use of both hands or amputation of both hands at wrist joints or above.....	Gr. 1
2. Amputation of a hand at carpo-metacarpal joints.....	Gr. 5
3. Amputation between wrist and elbow joints.....	Gr. 5
4. Loss of grasping power for small objects between the fold of the finger of one hand.....	Gr. 10
5. Loss of grasping power for large objects between fingers and palm of one hand.....	Gr. 10
6. Loss of opposition between the thumb and tips of the fingers of one hand.....	Gr. 9
7. Ankylosed wrist in normal position.....	Gr. 10
8. Ankylosed wrist in position one third (1/3) flexed or half extended and/or severe limited action of a wrist.....	Gr. 11

### **SHOULDER AND ARM**

1. Inability to turn forearm (forearm in normal position-supination).....	Gr. 11
2. Inability to turn forearm (forearm in abnormal position-pronation).....	Gr. 10
3. Disturbance of the normal carrying angle or weakness of an arm or a forearm due to deformity of moderate atrophy of muscles.....	Gr. 11
4. Stiff elbow at full flexion or extension (one side).....	Gr. 7
5. Stiff elbow at right angle flexion.....	Gr. 8
6. Flail elbow joint.....	Gr. 9
7. Pseudoarthrosis of the humerus with musculospiral or radial paralysis.....	Gr. 6
8. Ankylosis of one (1) shoulder, the shoulder blade remaining mobile.....	Gr. 9
9. Ankylosis of one shoulder, the shoulder blade remaining rigid.....	Gr. 8
10. Unreduced dislocation of one (1) shoulder.....	Gr. 8
11. Ruptured biceps or pseudoarthrosis of the humerus, close (one side).....	Gr. 11
12. Inability to raise arm more than halfway from horizontal to perpendicular.....	Gr. 11
13. Ankylosis of the shoulder joint not permitting arm to be raised above a level with a shoulder and/or irreducible fracture or faulty union collar bone.....	Gr. 10
14. Total paralysis of both upper extremities.....	Gr. 1
15. Total paralysis of one upper extremity.....	Gr. 3
16. Amputation of one (1) upper extremity at or above the elbow.....	Gr. 4
17. Scar the size of the palm in one extremity.....	Gr. 14

### **LOWER EXTREMITIES**

1. Loss of a big toe.....	Gr. 12
2. Loss of a toe other than the big one.....	Gr. 14
3. Loss of ten (10) digits of both feet.....	Gr. 5
4. Loss of a great toe of one foot + one toe.....	Gr. 10
5. Loss of two toes not including great toe or toe next to it.....	Gr. 12
6. Loss of three (3) toes excluding great toe of a foot.....	Gr. 10
7. Loss of four (4) excluding great toe of a foot.....	Gr. 9
8. Loss of great toe and two (2) other toes of the same foot.....	Gr. 9
9. Loss of five digits of a foot.....	Gr. 8
10. Loss of both feet at ankle joint or above.....	Gr. 1
11. Loss of one foot at ankle joint or above.....	Gr. 6
12. Depression of the arch of a foot resulting in weak foot.....	Gr. 12
13. Loss of one half (1/2) metatarsus of one (1) foot.....	Gr. 8
14. Loss of whole metatarsus or forepart of foot.....	Gr. 7
15. Tearing of achilles tendon resulting in the impairment of active flexion and extension of a foot.....	Gr. 12

16. Malleolar fracture with displacement of the foot inward or outward .....	Gr. 10
17. Complete immobility of an ankle joint in abnormal position.....	Gr. 10
18. Complete immobility of an ankle joint in normal position.....	Gr. 11
19. Total loss of a leg or amputation at or above the knee.....	Gr. 3
20. Stretching leg of the ligaments of a knee resulting in instability of the joint.....	Gr. 10
21. Ankylosis of a knee in genuvalgum of varum.....	Gr. 10
22. Pseudoarthrosis of a knee cap.....	Gr. 10
23. Complete immobility of a knee joint in full extension.....	Gr. 10
24. Complete immobility of a knee joint in strong flexion.....	Gr. 7
25. Complete immobility of a hip joint in flexion of the thigh.....	Gr. 5
26. Complete immobility of a hip joint in full extension of the thigh.....	Gr. 9
27. Slight atrophy of calf of leg muscles without apparent shortening or joint lesion or disturbance of weight-bearing line.....	Gr. 13
28. Shortening of a lower extremity from one to three centimeters with either joint lesion or disturbance of weight-bearing joint.....	Gr. 13
29. Shortening of 3 to 6 cm. With slight atrophy of calf or thigh muscles.....	Gr. 12
30. Shortening of 3 to 6 cm. With either joint lesion or disturbance of weight-bearing joint.....	Gr. 11
31. Irregular union of fracture with joint stiffness and with shortening of 6 to 9 cm. Producing permanent lameness.....	Gr. 9
32. Irregular union of fracture in a thigh or leg with shortening of 6 to 9 cms.....	Gr. 10
33. Failure of fracture of both hips to unite.....	Gr. 1
34. Failure of fracture of a hip to unite.....	Gr. 3
35. Paralysis of both lower extremities.....	Gr. 1
36. Paralysis of one lower extremity.....	Gr. 3
37. Scar the size of a palm or larger left on an extremity.....	Gr. 14

NOTE: Any item in the schedule classified under Grade 1 shall be considered or shall constitute total and permanent disability.

**APPENDIX III. SCHEDULE OF DISABILITY ALLOWANCES / GRADINGS**

IMPEDIMENT GRADE			IMPEDIMENT	SUM IN US\$
1	US\$ 50,000	x	120.00%	60,000
2		x	88.81%	44,405
3		x	78.36%	39,180
4		x	68.66	34,330
5		x	58.96%	29,480
6		x	50.00%	25,000
7		x	41.80%	20,900
8		x	33.59%	16,795
9		x	26.12%	13,060
10		x	20.15%	10,075
11		x	14.93%	7,465
12		x	10.45%	5,225
13		x	6.72%	3,360
14		x	3.74%	1,870

**To be paid in Philippine currency equivalent at the exchange rate prevailing during the time of payment.**

**APPENDIX IV. TABLE OF OFFENSES AND CORRESPONDING ADMINISTRATIVE PENALTIES**

OFFENSES	ADMINISTRATIVE PENALTIES IMPOSED BY MASTER	ADMINISTRATIVE PENALTIES IMPOSED BY POEA
<p>1. Smuggling or violation of any custom rules and regulations of the Philippines or of foreign ports</p> <p>a. Smuggling of any taxable item</p> <p>b. Possession or use of prohibited drugs, narcotics and other contraband</p> <p>c. Gun-running or possession of explosives and the like</p> <p>d. Abetting or conniving with others to commit smuggling</p> <p>e. Misdeclaration of or failure to declare articles leading to their seizure and fine to vessel</p> <p>f. Misdeclaration of or failure to declare articles leading to their seizure but vessel not implicated</p> <p>g. Possession of pornographic materials leading</p>	<p>Dismissal and to pay cost of repatriation and cost of his replacement</p> <p>Dismissal and to pay cost of repatriation and cost of his replacement</p> <p>Dismissal and to pay cost of repatriation and cost of his replacement</p> <p>Dismissal and to pay cost of repatriation and cost of his replacement</p> <p>Dismissal and to pay cost of repatriation and cost of his replacement</p> <p>1<sup>st</sup> offense: Reprimand and warning</p> <p>2<sup>nd</sup> offense: Dismissal and to pay cost of repatriation and cost of his replacement</p>	<p>1<sup>st</sup> offense: one (1) year to two (2) years suspension</p> <p>2<sup>nd</sup> offense: two (2) years and one (1) day suspension to delisting</p> <p>Delisting</p> <p>Delisting</p> <p>1<sup>st</sup> offense: two (2) years to three (3) years suspension</p> <p>2<sup>nd</sup> offense: three (3) years and one (1) day suspension to delisting</p> <p>1<sup>st</sup> offense: one (1) year to two (2) years suspension</p> <p>2<sup>nd</sup> offense: two (2) years and one (1) day suspension to delisting</p> <p>1<sup>st</sup> offense: one (1) year to two (2) years suspension</p> <p>2<sup>nd</sup> offense: two (2) years and one (1) day suspension to delisting</p>



<p>to its seizure and fine to vessel</p> <p>h. Possession of child pornography materials leading to its seizure and fine to ship</p> <p>i. Any other violation which does not implicate the vessel</p> <p>j. Any other violation which implicates the vessel</p>	<p>Dismissal and to pay cost of repatriation and cost of his replacement</p> <p>Dismissal and to pay cost of repatriation and cost of his replacement</p> <p>1<sup>st</sup> offense: Reprimand and warning</p> <p>2<sup>nd</sup> offense: Dismissal and to pay cost of repatriation and cost of his replacement</p> <p>Dismissal and to pay cost of repatriation and cost of his replacement</p>	<p>1<sup>st</sup> offense: one (1) year to two (2) years suspension</p> <p>2<sup>nd</sup> offense: two (2) years and one (1) day suspension to delisting</p> <p>1<sup>st</sup> offense: one (1) year to two (2) years suspension</p> <p>2<sup>nd</sup> offense: two (2) years and one (1) day suspension to delisting</p> <p>1<sup>st</sup> offense: one (1) year to two (2) years suspension</p> <p>2<sup>nd</sup> offense: two (2) years and one (1) day suspension to delisting</p> <p>Three (3) years suspension to delisting</p>
<p>2. Desertion</p> <p>a. Deserting or attempting to desert</p> <p>b. Advising, assisting or persuading another to desert</p>	<p>Dismissal and to pay cost of repatriation and cost of his replacement</p> <p>Dismissal and to pay cost of repatriation and cost of his replacement</p>	<p>Delisting</p> <p>Five (5) years suspension to delisting</p>
<p>3. Absence without leave</p> <p>a. Abandoning post or duty without being properly relieved</p> <p>b. Leaving the vessel without permission from the responsible officers during work hours</p>	<p>Dismissal and to pay cost of repatriation and cost of his replacement</p> <p>Dismissal and to pay cost of repatriation and cost of his replacement</p>	<p>1<sup>st</sup> offense: one (1) year to two (2) years suspension</p> <p>2<sup>nd</sup> offense: two (2) years and one (1) day suspension to delisting</p> <p>1<sup>st</sup> offense: six (6) months to one (1) year suspension</p> <p>2<sup>nd</sup> offense: one (1) year and one (1) day suspension to two (2) years suspension</p>

<p>c. Entrusting to others assigned duties without authority of the department head</p> <p>d. Leaving the vessel without permission</p>	<p>Master's discretion depending on the circumstances</p> <p>Master's discretion depending on the circumstances</p>	<p>3<sup>rd</sup> offense: two (2) years and one (1) day suspension to delisting</p> <p>1<sup>st</sup> offense: six (6) months to one (1) year suspension</p> <p>2<sup>nd</sup> offense: one (1) year and one (1) day suspension to two (2) years suspension</p> <p>3<sup>rd</sup> offense: two (2) years and one (1) day suspension to delisting</p>
<p>4. Sleeping on post while on duty</p>	<p>Dismissal and to pay cost of repatriation and cost of his replacement</p>	<p>1<sup>st</sup> offense: one (1) year to two (2) years suspension</p> <p>2<sup>nd</sup> offense: two (2) years and one (1) day suspension to delisting</p>
<p>5. Insubordination</p> <p>a. Any act of disobedience to lawful orders of a superior officer</p> <p>b. Attempting to assault a superior officer</p> <p>c. Assaulting a superior officer / other persons on business with the vessel without the use of a deadly weapon</p> <p>d. Assaulting a superior officer / other persons on business with the vessel with the</p>	<p>Dismissal and to pay cost of repatriation and cost of his replacement</p> <p>Dismissal and to pay cost of repatriation and cost of his replacement</p> <p>Dismissal and to pay cost of repatriation and cost of his replacement</p> <p>Dismissal and to pay cost of repatriation and cost of his replacement</p>	<p>1<sup>st</sup> offense: one (1) year to two (2) years suspension</p> <p>2<sup>nd</sup> offense: two (2) years and one (1) day suspension to delisting</p> <p>1<sup>st</sup> offense: six (6) months to one (1) year suspension</p> <p>2<sup>nd</sup> offense: one (1) year and one (1) day suspension to two (2) years suspension</p> <p>3<sup>rd</sup> offense: two (2) years and one (1) day suspension to delisting</p> <p>1<sup>st</sup> offense: one (1) year to two (2) years suspension</p> <p>2<sup>nd</sup> offense: two (2) years and one (1) day suspension to delisting</p> <p>Delisting</p>

<p>use of a deadly weapon</p> <p>e. Behaving with disrespect toward a superior officer</p> <p>f. Insulting a superior officer by words or deed</p> <p>g. Inciting another to commit insubordination</p>	<p>Dismissal and to pay cost of repatriation and cost of his replacement</p> <p>Dismissal and to pay cost of repatriation and cost of his replacement</p> <p>Dismissal and to pay cost of repatriation and cost of his replacement</p>	<p>1<sup>st</sup> offense: six (6) months to one (1) year suspension</p> <p>2<sup>nd</sup> offense: one (1) year and one (1) day suspension to three (3) years suspension</p> <p>3<sup>rd</sup> offense: three (3) years and one (1) day suspension to delisting</p> <p>1<sup>st</sup> offense: six (6) months to one (1) year suspension</p> <p>2<sup>nd</sup> offense: one (1) year and one (1) day suspension to three (3) years suspension</p> <p>3<sup>rd</sup> offense: three (3) years and one (1) day suspension to delisting</p> <p>1<sup>st</sup> offense: six (6) months to one (1) year suspension</p> <p>2<sup>nd</sup> offense: one (1) year and one (1) day suspension to three (3) years suspension</p> <p>3<sup>rd</sup> offense: three (3) years and one (1) day suspension to delisting</p>
<p>6. Drunkenness</p> <p>a. Drunk while on duty</p> <p>b. Creating trouble on board due to intoxication</p>	<p>Dismissal and to pay cost of repatriation and cost of his replacement</p> <p>1<sup>st</sup> offense: Reprimand and warning</p> <p>2<sup>nd</sup> offense: Dismissal and to pay cost of repatriation and cost of his replacement</p>	<p>1<sup>st</sup> offense: one (1) year to two (2) years suspension</p> <p>2<sup>nd</sup> offense: two (2) years and one (1) day suspension to delisting</p> <p>1<sup>st</sup> offense: six (6) months to one (1) year suspension</p> <p>2<sup>nd</sup> offense: one (1) year and one (1) day suspension to three (3) years suspension</p> <p>3<sup>rd</sup> offense: three (3) years and one (1) day suspension to delisting</p>

<p>c. Failure to perform assigned jobs due to intoxication</p>	<p>1<sup>st</sup> offense: Reprimand and warning</p> <p>2<sup>nd</sup> offense: Dismissal and to pay cost of repatriation and cost of his replacement</p>	<p>1<sup>st</sup> offense: six (6) months to one (1) year suspension</p> <p>2<sup>nd</sup> offense: one (1) year and one (1) day suspension to three (3) years suspension</p> <p>3<sup>rd</sup> offense: three (3) years and one (1) day suspension to delisting</p>
<p>7. Creating trouble outside the vessel premises</p>	<p>1<sup>st</sup> offense: Reprimand and warning</p> <p>2<sup>nd</sup> offense: Dismissal and to pay cost of repatriation and cost of his replacement</p>	<p>1<sup>st</sup> offense: six (6) months to one (1) year suspension</p> <p>2<sup>nd</sup> offense: one (1) year and one (1) day suspension to three (3) years suspension</p> <p>3<sup>rd</sup> offense: three (3) years and one (1) day suspension to delisting</p>
<p>8. Gambling</p> <p>a. Which results in fighting or any incident as to upset the harmonious relationship on board the vessel</p> <p>b. Any other form of gambling which is not purely recreational</p>	<p>Dismissal and to pay cost of repatriation and cost of his replacement</p> <p>Master's discretion depending on the circumstances</p>	<p>1<sup>st</sup> offense: one (1) year to two (2) years suspension</p> <p>2<sup>nd</sup> offense: two (2) years and one (1) day suspension to delisting</p> <p>1<sup>st</sup> offense: six (6) months to one (1) year suspension</p> <p>2<sup>nd</sup> offense: one (1) year and one (1) day suspension to three (3) years suspension</p> <p>3<sup>rd</sup> offense: three (3) years and one (1) day suspension to delisting</p>
<p>9. Violation of company policies and regulations for:</p> <p>a. Pilferage or theft of vessel's store or cargo</p> <p>b. Pilferage or theft of vessel property,</p>	<p>Dismissal and to pay cost of repatriation and cost of his replacement</p>	<p>1<sup>st</sup> offense: one (1) year to two (2) years suspension</p> <p>2<sup>nd</sup> offense: two (2) years and one (1) day suspension to delisting</p> <p>1<sup>st</sup> offense: one (1) year to two (2) years suspension</p>

<p>of crews or passengers or other persons with business at the vessel</p>	<p>Dismissal and to pay cost of repatriation and cost of his replacement</p>	<p>2<sup>nd</sup> offense: two (2) years and one (1) day suspension to delisting</p>
<p>c. Embezzlement of company funds</p>	<p>Dismissal and to pay cost of repatriation and cost of his replacement</p>	<p>1<sup>st</sup> offense: one (1) year to two (2) years suspension</p>
<p>d. Unauthorized disposal of company vessel's properties for personal gain</p>	<p>Dismissal and to pay cost of repatriation and cost of his replacement</p>	<p>2<sup>nd</sup> offense: two (2) years and one (1) day suspension to delisting</p>
<p>e. Any act of dishonesty with intention to defraud the company</p>	<p>Dismissal and to pay cost of repatriation and cost of his replacement</p>	<p>1<sup>st</sup> offense: one (1) year to two (2) years suspension</p>
<p>f. Gross negligence and failure to observe proper storage and cargo handling procedures resulting in delay of ships and/or damage to cargoes</p>	<p>Dismissal and to pay cost of repatriation and cost of his replacement</p>	<p>2<sup>nd</sup> offense: two (2) years and one (1) day suspension to delisting</p>
<p>g. Failure to observe and comply with regulation and non-baggage shipment and acceptance of parcels on board</p>	<p>Master's discretion depending on the circumstances</p>	<p>1<sup>st</sup> offense: six (6) months to one (1) year suspension</p>
<p>h. Failure to observe regulations on expiration of shore liberty</p>	<p>1<sup>st</sup> offense: Reprimand and warning</p>	<p>2<sup>nd</sup> offense: one (1) year and one (1) day suspension to two (2) years suspension</p> <p>3<sup>rd</sup> offense: two (2) years and one (1) day suspension to delisting</p> <p>1<sup>st</sup> offense: six (6) months to one (1) year suspension</p>

	2 <sup>nd</sup> offense: Dismissal and to pay cost of repatriation and cost of his replacement	2 <sup>nd</sup> offense: one (1) year and one (1) day suspension to two (2) years suspension  3 <sup>rd</sup> offense: two (2) years and one (1) day suspension to delisting
10. Incompetence and inefficiency	Dismissal and to pay cost of repatriation and cost of his replacement	1 <sup>st</sup> offense: two (2) years to three (3) years suspension  2 <sup>nd</sup> offense: three (3) years and one (1) day suspension to delisting
11. Inciting mutiny, malicious destruction of vessel property and any activity which will hamper the efficient operation of the vessel	Dismissal and to pay cost of repatriation and cost of his replacement	1 <sup>st</sup> offense: two (2) years to three (3) years suspension  2 <sup>nd</sup> offense: three (3) years and one (1) day suspension to delisting
12. Concerted action to breach approved contracts	Dismissal and to pay cost of repatriation and cost of his replacement	1 <sup>st</sup> offense: two (2) years to three (3) years suspension  2 <sup>nd</sup> offense: three (3) years and one (1) day suspension to delisting
13. Any activity which tends to destroy harmonious relationship in the company	Dismissal and to pay cost of repatriation and cost of his replacement	
14. Grave abuse of authority		
a. Grave abuse of authority (with the use of deadly weapon) resulting in harm or injury to subordinate	Dismissal and to pay cost of repatriation and cost of his replacement	Delisting
b. Grave abuse of authority (without the use of deadly weapon) resulting in harm or injury to subordinate	Dismissal and to pay cost of repatriation and cost of his replacement	1 <sup>st</sup> offense: one (1) year to two (2) years suspension  2 <sup>nd</sup> offense: two (2) years and one (1) day suspension to delisting
c. Any other cause of abuse of authority	Master's discretion depending on the circumstances	1 <sup>st</sup> offense: one (1) year to two (2) years suspension

		<p>2<sup>nd</sup> offense: two (2) years and one (1) day suspension to three (3) years suspension</p> <p>3<sup>rd</sup> offense: three (3) years and one (1) day suspension to delisting</p>
15. For gross misbehavior prejudicial to good order and discipline	<p>1<sup>st</sup> offense: Reprimand and warning</p> <p>2<sup>nd</sup> offense: Dismissal and to pay cost of repatriation and cost of his replacement</p>	<p>1<sup>st</sup> offense: one (1) year to two (2) years suspension</p> <p>2<sup>nd</sup> offense: two (2) years and one (1) day suspension to delisting</p>
16. Causing through neglect, damage, loss, spoilage or deterioration of vessel stocks and property	Master's discretion depending on the circumstances	<p>1<sup>st</sup> offense: one (1) year to two (2) years suspension</p> <p>2<sup>nd</sup> offense: two (2) years and one (1) day suspension to delisting</p>
17. Connivance with or cuddling of stowaway	Dismissal and to pay cost of repatriation and cost of his replacement	<p>1<sup>st</sup> offense: one (1) year to two (2) years suspension</p> <p>2<sup>nd</sup> offense: two (2) years and one (1) day suspension to delisting</p>
18. Willfully making false statement, reports, certification or documents for personal gain or with intent to mislead or defraud the company or authorities	Dismissal and to pay cost of repatriation and cost of his replacement	<p>1<sup>st</sup> offense: one (1) year to two (2) years suspension</p> <p>2<sup>nd</sup> offense: two (2) years and one (1) day suspension to delisting</p>
19. Any other case as to cast aspersion on the good name of the company and the vessel	Master's discretion depending on the circumstances	<p>1<sup>st</sup> offense: one (1) year to two (2) years suspension</p> <p>2<sup>nd</sup> offense: two (2) years and one (1) day suspension to delisting</p>
20. Violation to observe safety and environmental rules / regulations	Master's discretion depending on the circumstances	<p>1<sup>st</sup> offense: one (1) year to two (2) years suspension</p> <p>2<sup>nd</sup> offense: two (2) years and one (1) day suspension to delisting</p>

21. Failure to observe the drug and alcohol policy of the company	Dismissal and to pay cost of repatriation and cost of his replacement	1 <sup>st</sup> offense: one (1) year to two (2) years suspension  2 <sup>nd</sup> offense: two (2) years and one (1) day suspension to delisting
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