

DRAFT

DGS Circular No. XX of 2025

**Subject; Enhancement of the Bank Guarantee [BG] for the RPSL Companies and
guidelines to increase of the BG - reg.**

Whereas, it has come to the notice of this Directorate that, in certain instances, some of the Recruitment and Placement Service Licence (RPSL) companies approved under the provisions of the Merchant Shipping Act, 1958 are misusing the online e-governance module by uploading seafarers' details for vessels on which they are not working.

2. And, whereas, upon verification, it has been observed that in several such cases, the concerned seafarers were found serving onboard vessels whose details were not available in the Directorate's e-governance system, and that some of these vessels were subsequently abandoned by their shipowners. A majority of such abandonment cases involve non-payment of wages and failure to provide contractual entitlements to seafarers, resulting in serious hardship to the affected individuals and reputational concerns for the Indian maritime sector.

3. And whereas, the Rule 15 of the Merchant Shipping (Recruitment and Placement of Seafarers) Rules, 2016 mandates that each RPSL approved company shall maintain a valid Bank Guarantee commensurate with the number of seafarers recruited or placed by it. The said rule provides a financial safeguard mechanism to ensure that the seafarers receive due wages and repatriation in the event of default by the shipowner or employer.

4. The relevant extract of Rule 15 of the MS (RPSL) Rules, 2016 is reproduced below for ready reference:

"Every licensee shall furnish and maintain with the Directorate a bank guarantee of such amount and in such form as may be prescribed, to ensure compliance with the obligations arising under these rules and to safeguard the interests of seafarers recruited or placed by such licensee."

Such bank guarantee shall cover the following, namely: -

(a) the cost of the repatriation of a stranded seafarer, which includes the cost of such travel by appropriate and expeditious means normally by air and provision for food, clothing, accommodation of the seafarers until arrival at the seafarer's home, necessary medical care, passage and transport of personal effect, the transportation of the mortal remains of a seafarer in the event of his death;

(b) the cost of repatriation of an abandoned seafarer, which includes the cost of such travel by appropriate and expeditious means, normally by air, and provision for food, clothing, drinking water supply, essential fuel for survival on board the ship, accommodation of the seafarers from the time of leaving the ship until arrival at the seafarer's home, necessary medical care, passage and transport of personal effect, the transportation of the mortal remains of a seafarer in the event of his death and any other reasonable costs or charges from the act or omission constituting the abandonment until the seafarer's arrival at home;

(c) any monetary loss including the outstanding wages and other entitlements due from the ship owner to the seafarer that they may incur as a result of the failure of a recruitment and placement service or the relevant ship owner to meet its obligation under the seafarers employment agreement or the relevant collective bargaining agreement.

(d) prior to making any such claims of monetary loss due to the non-payment of wages, the seafarer shall follow and exhaust the following procedure of complaint, namely:-

(i) on the completion of a calendar month, if no wages have been paid to him / her, the seafarer may lodge a complaint on board with the Master or with the employer or ship-owner or with the Flag State or Port State Authorities, at the earliest opportunity; and

(ii) at the earliest convenience, inform the Recruitment and Placement Service of all details regarding such non-payment of wages.

5. Now therefore, considering the intended purpose of the Bank Guarantee submitted by RPSL companies at the time of obtaining their licence under the applicable provisions of the Merchant Shipping (Recruitment and Placement of Seafarers) Rules, 2016, and taking into account the inadequacy of the existing guarantee amounts in several cases particularly in light of the rising number of abandonment incidents involving non-payment of wages to Indian seafarers, it has been decided that the revised Bank Guarantee structure shall henceforth be applicable as follows:

Sr. No.	Number of seafarers placed on foreign flag	Amount of Bank Guarantee in Indian rupees
01	Up to 50	25 lakhs
02	51 to 250	40 lakhs
03	251 to 500	60 lakhs
04	501-750	85 lakhs
05	751-1000	90 lakhs
06	1001 and above	1 Cr

6. In view of the foregoing, and with the objective of ensuring effective implementation of Rule 15 of the Merchant Shipping (Recruitment and Placement of Seafarers) Rules, 2016, and safeguarding the interests of Indian seafarers, the following directions are hereby issued:

7. All new applications received for grant of Recruitment and Placement Service Licence (RPSL) are required to submit their Bank Guarantee strictly in accordance with the revised scale/table prescribed by the Directorate. No application shall be considered complete without submission of the requisite Bank Guarantee as per the updated norms.

8. All existing RPSL-licensed companies shall upgrade their existing Bank Guarantees to conform with the revised requirements either at the time of their intermediate verification or at the time of renewal of their licence, whichever occurs earlier.

9. Any RPSL company intending to enhance its Bank Guarantee voluntarily, to expand its recruitment capacity, shall ensure that:

9.1. It has maintained safe and effective operational performance, and there are no outstanding complaints or grievances against the company. The concerned DSEO office shall monitor such companies for a minimum period of six months after issuance of initial RPSL licence prior to forwarding any recommendation for enhancement of the Bank Guarantee to the Directorate.

10. All Bank Guarantee enhancement or revision requests shall, as far as practicable, be clubbed with the annual audit of the RPSL company, to enable verification and certification by auditors appointed by the Recognised Organisation (RO) / Crew Branch, DGS. The auditors' recommendations shall be duly factored into the Directorate's consideration of such requests.

11. In exceptional cases where a company seeks to enhance its Bank Guarantee outside the regular annual audit cycle, such applications may be submitted through the respective DSEO office, with a suitable recommendation justifying the operational necessity and compliance status of the company.

12. The DSEO shall forward the same to the Directorate General of Shipping (Crew Branch) after examination based on guidelines for enhancement of Bank Guarantee as enclosed under Annexure - I to this Circular.

This issues with the approval of the Director General of Shipping.

Capt. PC Meena
Deputy Director General of Shipping

Annexure- I

PROCEDURE FOR ENHANCING BANK GURANTEE

The followings shall be mandatory verified / checked by the DSEO office before submitting applications to the DG Shipping for necessary enhancement.

Sr. No.	Verification points	Comments by DSEO
01	Total number of Grievances received hard copies / Email / Online portal/PMOPG /CPGRAM /Helpdesk / social media.... Number of Grievances resolved Number of Grievances pending.... The complete status of all Grievances is to be submitted to the DGS Crew branch.	
02	Any complaint filed by seafares online / offline against the RPSL Company, if yes, the status of all complaints resolved / closed.	
03	The total number of seafarers engaged within last one year from the date of receipt of the Enhancement of Bank Guarantee. The random verification of their status whether these seafarers are on board the vessel for which contract opened or have been transferred to different vessels or any other status of the seafarers.	
04	The verification of all their vessels MLC Compliance certificate and financial security certificates to be verified for their genuineness. If anyone certificate is not valid or not genuine, necessary action may be initiated against the company as per application provisions of the MSA and MS (Rules).	
05	The verification of all vessels LSA Capacity and their engagement by the RPSL	

	Companies.	
06	The verification of all vessels (IMO Number) registered with the RPSL Company with IMO / ILO database for their abandonment. In case, if any vessel found to be listed on IMO/ IMO database, necessary action will be initiated against the company as per MSN 11 of 2024.	
07	The verification of any seafarers abandoned /stranded/jailed to be ascertained and action taken report from the company to be obtained. BG Shall not be enhanced if any of their seafarers are abandoned /jailed/arrested and no support from the RPSL is provided.	
08	<p>Verification of all death / missing cases on board and whether the procedures for reporting and appropriate action for reporting the incident to DG Comm Center been complied or not.</p> <p>Any outstanding compensation due for any death / missing cases on board any of their vessels.</p> <p>The complete list of all death/missing and their compensation to be submitted.</p>	
09	Any other verification based on DGS Circulars / MS Notices and DGS Orders	