

# Bill Summary

## The Recycling of Ships Bill, 2019

- The Recycling of Ships Bill, 2019 was introduced in Lok Sabha by the Minister of State for Shipping, Mr. Mansukh Mandaviya, on November 25, 2019. The Bill restricts the use of hazardous material on ships and regulates the recycling of ships. Key features of the Bill include:
  - **Applicability of the Bill:** The Bill will apply to: (i) any new or existing ship which is registered in India, (ii) ships entering a port or terminal in India, or the territorial waters of India, (iii) any warship, or other ship owned and operated by an administration and used on government non-commercial service, and (iv) ship recycling facilities operating in India.
  - **Ship recycling:** The Bill defines ship recycling as the dismantling of a ship at a facility to recover the components and materials for reuse, and taking care of the hazardous material so produced. It includes associated operations such as storage and treatment of materials and components on site.
  - **Requirements for ships:** Ships should not use prohibited hazardous materials as notified. The central government may exempt certain categories of ships from this requirement. The National Authority will carry out periodic surveys to verify the prescribed requirements. This Authority will be notified by the central government to administer, supervise and monitor all activities related to ship recycling.
  - The owner of every new ship must make an application to the National Authority to obtain a certificate on the inventory of hazardous materials. Existing ship owners must apply for the certificate within five years of the commencement of the Act. The certificate must be renewed every five years. It must be maintained and updated through the life of the ship to reflect any changes in the ship's structure and equipment. The certificate may be suspended for various reasons such as the ship not complying with the particulars of the certificate, or not maintaining the inventory of hazardous materials properly. Using hazardous materials in a ship will be punishable with imprisonment of up to three months, or a fine of up to five lakh rupees, or both.
  - These requirements will not apply to: (i) any warship, or other ship owned and operated by an administration and used on government non-commercial service, and (ii) ships with internal volume less than 500 tonne
- **Recycling facilities:** Ships will be recycled only in authorised recycling facilities. An application to authorise such a facility must be submitted to the Competent Authority (which will be notified by the central government) along with a ship recycling facility management plan, and prescribed fee. Existing facilities must apply for authorisation within 60 days of the commencement of the Act. A facility will be authorised when the Competent Authority is satisfied that it follows the specified standards. The certificate of authorisation will be valid for a period as specified but not exceeding five years. Contravening these provisions will be punishable with imprisonment of up to one year, or a fine of up to Rs 10 lakh, or both.
- Each Ship Recycler must maintain adequate measures for emergency preparedness and response, safety, health, training, and welfare of workers as per the Factories Act, 1948. It must also provide insurance coverage for the regular and temporary workers.
- **Recycling process:** A ship owner must apply to the National Authority for a ready for recycling certificate before recycling his ship. The Ship Recycler must prepare a ship recycling plan which should be approved by the Competent Authority. Each ship will be recycled after obtaining written permission from the Competent Authority. The Authority must grant such permission after physically inspecting the ship.
- Every ship recycler must: (i) ensure safe and environmentally sound removal and management of hazardous materials from a ship, and (ii) comply with the specified environmental regulations. They must also ensure that no environmental damage is caused due to such recycling. On contravening these provisions, the ship recycler will be liable to pay environmental damages and cleanup operation compensation as prescribed. In case of an oil spill, a ship recycler will be punishable with: (i) a fine of up to five lakh rupees in case of no response within 12 hours of issue of the first notice, (ii) a fine of up to Rs 10 lakh in case of no response within 24 hours of issue of the second notice, and (iii) imprisonment of up to three months, and a fine of up to Rs 10 lakh in case of no response within 24 hours of issue of the third notice.
- **Appeals:** Decisions of the Competent Authority may be appealed with the National Authority within 30 days of receiving the decision. Decisions of the National Authority may be appealed with the central government within 30 days of receiving the decision.

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