Basic information

2012/0055(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
Ship recycling Amending Regulation (EC) No 1013/2006 2003/0139(COD) Amending Directive 2009/16/EC 2005/0238(COD) Amended by 2016/0394(COD) Amended by 2021/0367(COD) **Subject** 3.20.15.06 Maritime or inland transport agreements and cooperation 3.40.04 Shipbuilding, nautical industry 3.70.04 Water control and management, pollution of waterways, water pollution 3.70.09 Transfrontier pollution 3.70.13 Dangerous substances, toxic and radioactive wastes (storage, transport)	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ENVI Environment, Public Health and Food Safety	SCHLYTER Carl (Verts/ALE)	29/05/2012
	Shadow rapporteur FJELLNER Christofer (PPE) PRODI Vittorio (S&D) DAVIES Chris (ALDE) VAN DALEN Peter (ECR) WILS Sabine (GUE/NGL) CYMAŃSKI Tadeusz (EFD)	

Committee for opinion	Rapporteur for opinion	Appointed
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
TRAN Transport and Tourism	The committee decided not to give an opinion.	
JURI Legal Affairs	The committee decided not to give an opinion.	

Council of the European Union	**Council configuration**	**Meetings**	**Date**
	Economic and Financial Affairs ECOFIN	3271	2013-11-15
	Environment	3194	2012-10-25
European Commission	**Commission DG**	**Commissioner**	
	Environment	POTOČNIK Janez	
European Economic and Social Committee			
European Committee of the Regions			

Key events

Date	Event	Reference	Summary
23/03/2012	Legislative proposal published	COM(2012)0118	Summary
29/03/2012	Committee referral announced in Parliament, 1st reading		
25/10/2012	Debate in Council		Summary
26/03/2013	Vote in committee, 1st reading		
28/03/2013	Committee report tabled for plenary, 1st reading	A7-0132/2013	Summary
18/04/2013	Decision by Parliament, 1st reading	T7-0182/2013	Summary
18/04/2013	Results of vote in Parliament		
22/10/2013	Decision by Parliament, 1st reading	T7-0429/2013	Summary
22/10/2013	Results of vote in Parliament		
15/11/2013	Act adopted by Council after Parliament's 1st reading		
20/11/2013	Final act signed		
20/11/2013	End of procedure in Parliament		
10/12/2013	Final act published in Official Journal		

Technical information

Procedure reference	2012/0055(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amending Regulation (EC) No 1013/2006 2003/0139(COD) Amending Directive 2009/16/EC 2005/0238(COD) Amended by 2016/0394(COD) Amended by 2021/0367(COD)
Legal basis	Treaty on the Functioning of the European Union TFEU 192-p1

Other legal basis	Rules of Procedure EP 165
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions
Stage reached in procedure	Procedure completed
Committee dossier	ENVI/7/09192

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE498.083	12/11/2012	
Amendments tabled in committee		PE502.035	20/12/2012	
Committee report tabled for plenary, 1st reading/single reading		A7-0132/2013	28/03/2013	Summary
Text adopted by Parliament, partial vote at 1st reading /single reading		T7-0182/2013	18/04/2013	Summary
Text adopted by Parliament, 1st reading/single reading		T7-0429/2013	22/10/2013	Summary

Council of the EU

Document type	Reference	Date	Summary
Draft final act	00059/2013/LEX	20/11/2013	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2012)0118	23/03/2012	Summary
Document attached to the procedure	SWD(2012)0045	23/03/2012	
Document attached to the procedure	SWD(2012)0047	23/03/2012	
Commission response to text adopted in plenary	SP(2013)872	27/11/2013	
Follow-up document	COM(2017)0420	08/08/2017	Summary
Follow-up document	COM(2018)0145	22/03/2018	
Follow-up document	COM(2023)0326	22/06/2023	
Follow-up document	COM(2025)0052	19/02/2025	
Follow-up document	SWD(2025)0040	19/02/2025	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	PT_PARLIAMENT	COM(2012)0118	16/05/2012	
Contribution	IT_SENATE	COM(2012)0118	28/06/2012	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES1595/2012	12/07/2012	

Additional information

Source	Document	Date
National parliaments	IPEX	
European Commission	EUR-Lex	
European Commission	EUR-Lex	

Final act

Regulation 2013/1257
OJ L 330 10.12.2013, p. 0001 Summary

Ship recycling

2012/0055(COD) - 25/10/2012

The Council held a **policy debate** on the proposal for a regulation on ship recycling.

On the basis of a set of questions prepared by the Presidency, ministers were asked to discuss in particular

1. the effectiveness and enforceability of the proposed regulation, and its relation to the competitiveness of EU flags;
2. the possibility to introduce or not requirements above and beyond the Hong Kong Convention and
3. the detailed provisions on penalties, access to justice and enforcement contained in the proposal.

Many ministers generally welcomed the proposed regulation as a tool to promote the timely implementation of the Hong Kong Convention. Some of them, however, expressed serious concerns as to the appropriateness of regional measures in the current situation, where the Convention is not yet in force, and the possible consequences for the European fleet. Additionally, it was underlined that work has to continue on legally sound and enforceable solutions for some of the thorny issues raised in this complex proposal.

In relation to the second question, most ministers emphasized the need for the draft regulation to be consistent with the Hong Kong Convention and in particular for clear rules on the future review of the Regulation, once the Convention enters into force.

Lastly, many ministers pointed out that they consider it inappropriate to include specific provisions on access to justice in the draft regulation as these are already covered by existing EU legislation or to specify measures on penalties, which are best left to Member States.

The Commission noted the different views expressed and the Presidency indicated that it will prepare a progress report on this matter.

Ship recycling

2012/0055(COD) - 28/03/2013 - Committee report tabled for plenary, 1st reading/single reading

The Committee on the Environment, Public Health and Food Safety adopted the report by Carl SCHLYTER (Greens/EFA, SE) on the proposal for a regulation of the European Parliament and of the Council on ship recycling.

The committee recommends that the position of the European Parliament adopted at first reading, following the ordinary legislative procedure, should amend the Commission proposal as follows:

Objective: Members seek to clarify that the purpose of this Regulation is to prevent, reduce to a minimum and, to the extent possible, eliminate accidents, injuries and **other adverse effects on human health and the environment** caused by the recycling and treatment of EU ships, inter alia by recycling them in EU listed facilities located in the Union or outside the Union, and to improve the conditions for the recycling of non-EU ships.

The Regulation shall also:

- reduce disparities between operators in the Union, in OECD countries and in relevant third countries in terms of health and safety at the work place and environmental standards;
- facilitate ratification of the Hong Kong Convention.

This Regulation shall apply to **EU ships**. Certain provisions of this Regulation shall also apply to non-EU ships calling at a port or anchorage of a Member State to engage in a ship/port interface.

Hazardous materials: the new application of **anti-fouling systems containing organotin compounds** as a biocide or any other anti-fouling system whose application or use is prohibited by the Convention on the Control of Harmful Anti-fouling Systems shall be prohibited on ships.

Members call for an **inventory of hazardous materials** to be established and kept available on board each new EU ship.

The following timelines shall apply for the establishment of an inventory:

- for ships more than 25 years old, one year after entry into force of this Regulation;
- for ships more than 20 years old, two years after entry into force of this Regulation;
- for ships more than 15 years old, three years after entry into force of this Regulation four years after entry into force of this Regulation;
- for ships less than 15 years old, four years after entry into force of this Regulation.

Financial mechanism for the environmentally sound recycling and treatment of EU and non-EU ships: the Commission shall designate a legal entity responsible for managing a **Recycling Fund**. Its objective shall be:

- for EU ships: to contribute to making their recycling in compliance with this Regulation economically viable;

- for non-EU ships: to contribute to making their recycling economically viable, if they choose to be recycled at EU listed facilities.

A fee should be paid by all ships using EU ports based on their tonnage. The fees would go to a fund, which would give a **premium for the actual recycling** by ship recycling facilities that comply with the provisions of this regulation to make them competitive. A premium would only be paid for the recycling of ships that fly an EU flag since at least two years. Members shall ensure that ships that deposit a **financial guarantee** as a guarantee that they will go to EU listed facilities for recycling and treatment should be exempted from the recycling levy.

Recycling plan: the report calls for the development of a ship-specific ship recycling plan **for any EU ship more than 20 years old or prior to any recycling of a ship**, whatever the earlier, no later than 30 months after entry into force of this Regulation. Such a plan should be approved by the competent authorities. The requirement for ships that are older than 20 years to develop a ship recycling plan should be **passed on from owners selling an EU ship to a new owner** that intends to fly the flag of a third country.

Intent to recycle: Members consider that the process of notifying the ship recycling facility and the relevant authorities should be simplified in order to reduce the bureaucratic burden.

Surveys: the initial survey of a new vessel shall be conducted before the ship is put in service. For existing vessels, an initial survey shall be conducted **within five years of entry into force of this Regulation**. An additional survey should be mandatory whenever a significant change occurs.

The officers carrying out the surveys may, at any time or at the duly substantiated request of port authorities which have serious concerns about the condition of a ship that has put into port, decide to carry out an **unannounced inspection** in order to determine whether the ship complies with this Regulation.

Contract between the shipowner and a ship recycling facility: the contract shall include the following obligations for the shipowner:

- to provide the ship recycling facility at least four months prior to the intended date for the ship recycling with all the ship-relevant information necessary for the development of the ship recycling plan, or in cases where the ship owner is not in possession of such information, to inform the ship recycling facility and collaborate with them to ensure that any lacunae are adequately resolved;
- to send a ship for ship recycling only when the ship recycling plan has been explicitly approved by the competent authority;
- to cover the actual extra costs in the event that the content of hazardous materials on board is significantly higher than indicated in the inventory of hazardous chemicals, but does not render the intended ship recycling impractical or undermine safety or protection of the environment.

Inspections: Member States shall apply control provisions for EU ships equivalent to those laid down in Directive 2009/16/EC, in accordance to their national legislation. A more detailed inspection shall be carried out, taking into account guidelines developed by the IMO, where an inspection reveals that a ship does not comply with certain requirements.

Additional measures applicable to non-EU ships: Member States shall ensure that non-EU ships comply with the requirements concerning the control of hazardous materials. They shall prohibit the installation or use of the materials on non-EU ships whilst in its ports, anchorages, shipyards, ship repair yards or offshore terminals. Member States shall ensure that effective, proportionate and dissuasive penalties are applicable to owners of non-EU ships that do not comply with these provisions.

More explicit requirements on ship recycling facilities: Members consider that several supplementary provisions should be established to ensure that recycling and waste treatment occur in an environmentally sound manner (permanent and built structures with sufficient cranes available to clarify that sites using the beaching method would not qualify for the European list; identification of all relevant sub-contractors; a traceability system for the hazardous materials removed from the ships; adequate insurance cover; monitoring of pollution).

Criminal penalties for certain violations: Directive 2008/99/EC on the protection of the environment through criminal law establishes criminal penalties for illegal waste shipments. Such penalties should also be applicable for violations of this Regulation that could lead to unsound recycling.

Ship recycling

2012/0055(COD) - 18/04/2013 - Text adopted by Parliament, partial vote at 1st reading/single reading

The European Parliament adopted by 499 votes to 50, with 55 abstentions, **amendments** on the proposal for a regulation of the European Parliament and of the Council on ship recycling.

The matter was referred back to the committee. The vote on the resolution was postponed to a later date.

The main amendments adopted in plenary concern the following issues:

Objective: Parliament seeks to specify that the purpose of this Regulation is to:

- prevent, reduce to a minimum and, to the extent possible, eliminate accidents, injuries and **other adverse effects on human health and the environment** caused by the recycling and treatment of EU ships, inter alia by recycling them in EU listed facilities located in the Union or outside the Union;
- improve the conditions for the recycling of **non-EU ships**;
- **reduce disparities** between operators in the Union, in OECD countries and in relevant third countries in terms of health and safety at the work place and environmental standards;
- facilitate **ratification of the Hong Kong Convention**.

This Regulation shall apply to **EU ships**. Certain provisions of this Regulation shall also apply to non-EU ships calling at a port or anchorage of a Member State to engage in a ship/port interface.

Hazardous materials: the new application of **anti-fouling systems containing organotin compounds** as a biocide or any other anti-fouling system whose application or use is prohibited by the Convention on the Control of Harmful Anti-fouling Systems shall be prohibited on ships. Parliament calls for an **inventory of hazardous materials** to be established and kept available on board each new EU ship. The following timelines shall apply for the establishment of an inventory:

- for ships more than 25 years old, one year after entry into force of this Regulation;
- for ships more than 20 years old, two years after entry into force of this Regulation;
- for ships more than 15 years old, three years after entry into force of this Regulation four years after entry into force of this Regulation;
- for ships less than 15 years old, four years after entry into force of this Regulation.

Inventive-based system: in view of the current situation of ship recycling, characterised by an extreme externalisation of costs and unacceptable conditions involved in the dismantling of ships, the Commission shall, **before the end of 2015, submit a legislative proposal** for an incentive-based system that would facilitate safe and sound ship recycling.

Ship-specific ship recycling plan: Members call for this to be developed for any EU ship more **than 20 years old or prior to any recycling of a ship**, whatever the earlier, no later than 30 months after the entry into force of this Regulation. Such a plan should be approved by the competent authorities.

Ship owners selling an EU ship more than 20 years old to a new owner that intends to fly the flag of a third country shall ensure that the contract with the new ship owner stipulates that the new owner, and any subsequent owners, take over the responsibility for developing a ship recycling plan in the event that they wish to call at Union ports or anchorages.

Surveys: the initial survey of a new vessel shall be conducted **before the ship is put in service**. For existing vessels, an initial survey shall be conducted **within five years of entry into force of this Regulation**. The officers carrying out the surveys may, at any time or at the duly substantiated request of port authorities which have serious concerns about the condition of a ship that has put into port, decide to carry out an **unannounced inspection** in order to determine whether the ship complies with this Regulation.

Contract between the shipowner and a ship recycling facility: the contract shall include the following obligations for the shipowner:

-

to provide the ship recycling facility at least four months prior to the intended date for the ship recycling with all the ship-relevant information necessary for the development of the ship recycling plan, or in cases where the ship owner is not in possession of such information, to inform the ship recycling facility and collaborate with them to ensure that any lacunae are adequately resolved;
- to send a ship for ship recycling only when the ship recycling plan has been explicitly approved by the competent authority;
- to **cover the actual extra costs** in the event that the content of hazardous materials on board is significantly higher than indicated in the inventory of hazardous chemicals, but does not render the intended ship recycling impractical or undermine safety or protection of the environment.

Inspections: Member States shall apply control provisions for EU ships equivalent to those laid down in Directive 2009/16/EC, in accordance to their national legislation. A more detailed inspection shall be carried out, taking into account guidelines developed by the IMO, where an inspection reveals that a ship does not comply with certain requirements.

Additional measures applicable to non-EU ships: Member States shall ensure that non-EU ships comply with the requirements concerning the control of hazardous materials. They shall prohibit the installation or use of the materials on non-EU ships whilst in its ports, anchorages, shipyards, ship repair yards or offshore terminals. Member States shall ensure that effective, proportionate and dissuasive penalties are applicable to owners of non-EU ships that do not comply with these provisions.

More explicit requirements on ship recycling facilities: Parliament has introduced embers consider that several supplementary provisions should be established to ensure that recycling and waste treatment occurs in an environmentally sound manner. In order to be included in the European list, a ship recycling facility shall comply with the following requirements:

- operate from permanent built structures (dry docks, quays or concrete slip-ways);
- have sufficient cranes available for lifting parts cut from a ship;
- ensure that all wastes prepared for recycling are only transferred to recycling facilities authorised to deal with their recycling without endangering human health and in an environmentally sound manner;
- ensure appropriate storage for dismantled spare parts, including impermeable storage for oil-contaminated spare parts
- ensure functioning equipment for the treatment of water, including rainwater, in compliance with health and environmental regulations;
- ensure appropriate storage for explosive and/or inflammable materials and gas, including the prevention of fire hazards and excessive stockpiling;
- ensure appropriate impermeable and sheltered storage and containment for solid and liquid PCB/PCT waste or material.

The ship recycling facility shall:

- provide evidence that the ship recycling facility complies with all **health and safety provisions** under the laws of that country;
- identify all subcontractors directly involved in the process of ship recycling and provide evidence of their permits;
- have adequate insurance to cover health and safety liabilities and the costs of environmental remediation in compliance with relevant legislation of the Member State or third country where the facility is located.

Inclusion of a ship recycling facility in the European List: in order to be included in the European list, ship recycling facilities shall be audited by an international team of experts nominated by the Commission prior to their inclusion in the European list and once every two years thereafter. The ship recycling facility shall also agree that it may be subject to additional unannounced site inspections by an international team.

The European List shall include the following information about the ship recycling facility: (a) the method of recycling; (b) the type and size of ships that are suitable for recycling; and (c) any limitation under which the facility operates, including as regards hazardous waste management.

Criminal penalties for certain violations: Member States shall ensure that penalties pursuant to Directive 2008/99/EC on the protection of the environment through criminal law are applicable to the owners of EU ships that: were sent for recycling without complying with the general requirements pursuant to this Regulation or were sent for recycling without an inventory certificate.

Ship recycling

2012/0055(COD) - 22/10/2013 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 591 votes to 47, with 27 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council on ship recycling.

The matter had been referred back to the competent committee during the meeting of 18 April 2013.

Parliament adopted its position at first reading under the ordinary legislative procedure. The amendments adopted in plenary are the result of a compromise negotiated between the European Parliament and the Council. They modify the proposal as follows:

Objectives of the regulation: it is specified that the regulation should:

- prevent, reduce to a minimum and, to the extent possible, eliminate **accidents, injuries and other adverse effects on human health and the environment** caused by the recycling and treatment of EU ships;

- enhance safety, the protection of human health and of the Union marine environment **throughout a ship's life-cycle**, in particular to ensure that hazardous waste from such ship recycling is subject to environmentally sound management;

- lay down rules to ensure the **proper management of hazardous materials** on ships;

- facilitate the ratification of the **Hong Kong International Convention**, 2009, for the safe and environmentally sound recycling of ships.

The regulation should apply to EU vessels. Some measures should also apply to all ships calling at a port or anchorage of a Member State.

Inventory of hazardous materials: each new ship shall have on board an inventory of hazardous materials, which shall identify at least the hazardous materials contained in the structure or equipment of the ship, their location and approximate quantities. Existing ships shall comply, as far as practicable, with this requirement.

General requirements for ship owners: owners shall: i) provide the operator of the ship recycling facility **with all ship-relevant information**, necessary for the development of the ship recycling plan;

ii) **notify** in writing the relevant administration, of the intention to recycle the ship in a specified ship recycling facility or facilities.

In addition, owners shall: i) provide the operator of the ship recycling facility with a **copy of the ready for recycling certificate**; ii) be **responsible for the ship**.

Ship recycling plan: the plan established by the ship recycling facility operator shall: i) clarify whether and to what extent any preparatory work - such as identification of potential hazards - is to take place at a location other than the ship recycling facility identified in the ship recycling plan; ii) include the location where the ship will be placed during recycling operations and iii) a concise plan for the arrival and safe placement of the specific ship to be recycled.

The ship recycling plan shall be tacitly or explicitly approved by the competent authority in accordance with the requirements of the state where the ship recycling facility is located.

Surveys: where the administration uses recognised organisations to conduct surveys, it shall, as a minimum, empower such recognised organisations to: i) require a ship that they survey to comply with this Regulation; and ii) carry out surveys if requested by the appropriate authorities of a Member State.

The initial survey of a new ship shall be conducted before the ship is put in service, while the initial survey for an existing vessel shall be carried out within five years of the regulation coming into force.

Issuance and endorsement of certificates: according to the amended text, the administration or a recognised organisation authorised by it shall issue an inventory certificate after an initial or renewal survey.

Where the renewal survey is successfully completed, the inventory certificate shall be delivered in the three month period before the expiry date of the existing inventory certificate. The new certificate shall be valid from the date of completion of the renewal survey to a date not exceeding five years from the date of expiry of the existing one.

Port State control: Member States shall apply control provisions for ships in accordance with their national law having regard to Directive 2009/16/EC. A **more detailed inspection** may be carried out where an inspection shows that a vessel does not meet certain requirements.

A ship may be warned, detained, dismissed or ordered to depart if it fails to submit a copy of the inventory certificate or the ready for recycling certificate. Access to a specific port or anchorage may be permitted in the event of force majeure or overriding safety considerations, provided that adequate measures have been implemented to ensure safe entry.

Requirements for ships flying the flag of a third country: non-European ships, like all European ships, will be covered by the regulation insofar as they are required to establish an inventory of hazardous materials when the call at an EU port.

Requirements applicable to ship recycling facilities: the Parliament introduced several measures to ensure that recycling and treatment of waste is carried out in an environmentally sound manner. In order to be included in the European List , a ship recycling facility shall comply, among others, with the following requirements:

- it is **authorised** by its competent authorities to conduct ship recycling operations;
- it operates from **built structures** (dry docks, quays or concrete slipways);
- it prepares a ship recycling facility **plan**;
- it **prevents adverse effects** on human health and the environment, including the demonstration of the control of any leakage;
- it ensures **safe and environmentally sound management** of hazardous materials and waste;
- it ensures rapid access for **emergency response equipment**, such as fire-fighting equipment and vehicles, ambulances and cranes, to the ship and all areas of the ship recycling facility.

Ship recycling facilities located in a third country: a ship recycling company owning a ship recycling facility located in a third country and intending to recycle ships flying the flag of a Member State **shall submit an application to the Commission** for inclusion of that ship recycling facility in the European List.

Compliance by ship recycling facilities located in third countries with the requirements shall be certified following **a site inspection** by an independent verifier with appropriate qualifications.

Establishment and updating of the European List: the European List shall include all of the following information about the ship recycling facility: a) the method of recycling; b) the type and size of ships that can be recycled; c) any limitation and conditions under which the ship recycling facility operates, including as regards hazardous waste management; and d) the maximum annual ship recycling output.

Enforcement: Member States shall lay down provisions on penalties applicable to infringements of this Regulation and shall take all the measures necessary to ensure that they are applied. The penalties provided for shall be effective, proportionate and dissuasive.

Financial incentive: the Commission shall, no later than three years after the entry into force of the regulation, submit to the European Parliament and to the Council a report on the feasibility of a **financial instrument** that would facilitate safe and sound ship recycling and shall, if appropriate, accompany it by a legislative proposal.

Ship recycling

2012/0055(COD) - 20/11/2013 - Final act

PURPOSE: to adopt new rules on ship recycling.

LEGISLATIVE ACT: Regulation (EU) No 1257/2013 of the European Parliament and of the Council on ship recycling and amending Regulation (EC) No 1013/2006 and Directive 2009/16/EC.

CONTENT: the new Regulation aims to prevent, reduce, minimise and, to the extent practicable, eliminate accidents, injuries and other adverse effects on human health and the environment caused by ship recycling. It also lays down rules to ensure the proper management of hazardous materials on ships.

The purpose is also to facilitate the ratification of the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009.

Inventory of hazardous materials: the Regulation stipulates that each new ship shall have on board an inventory of hazardous materials, which shall identify at least the hazardous materials referred to in Annex II and contained in the structure or equipment of the ship, their location and approximate quantities. Existing ships must conform, as far as possible, in the practice of this requirement **by 31 December 2020**.

Non-European ships, like the European boats, are covered by the Regulation to the extent that they must have on board an inventory of hazardous materials, when calling at a port of a Member State.

Ship recycling plan: a ship-specific ship recycling plan shall be developed prior to any recycling of a ship by the operator of the ship recycling facility in accordance with the relevant provisions of the Hong Kong Convention. The ship recycling plan shall be **tacitly or explicitly approved** by the competent authority in accordance with the requirements of the state where the ship recycling facility is located, where applicable.

Surveys and certificates: ships shall be subject to the following surveys: i) an initial survey;

ii) a renewal survey; iii) an additional survey; iv) a final survey. After successful completion of an initial or renewal survey, the administration or a recognised organisation authorised by it shall issue an inventory certificate for a period specified by the administration, which shall not exceed five years.

European list: the Regulation provides for the establishment of and the regular updating of the European List of ship recycling facilities. The list shall be published in the Official Journal of the European Union and on the website of the Commission not later than 31 December 2016. It shall be divided into two sub-lists indicating the ship recycling facilities located in a Member State and the ship recycling facilities located in a third country.

Requirements necessary for ship recycling facilities: in order to be included in the European List, a ship recycling facility should comply with certain requirements, in accordance with the relevant Hong Kong Convention provisions and taking into account the relevant guidelines of the IMO.

In accordance with the wishes of Parliament, several provisions were introduced to ensure that the recycling and treatment of waste is done with **respect for the environment**. Thus, a facility, should, inter alia, comply with the following requirements:

- it is authorised by its competent authorities to conduct ship recycling operations and be constructed and operated in a safe and environmentally sound manner;
- it operates from permanent built structures (dry docks, quays or concrete blocks);
- it prevents adverse effects on human health and the environment, including the demonstration of the control of any leakage;
- it ensures safe and environmentally sound management and storage of hazardous materials and waste;
- it establishes and maintain an emergency preparedness and response plan.

A ship recycling company owning a ship recycling facility located in a **third country** and intending to recycle ships flying the flag of a Member State shall submit an application to the Commission for inclusion of that ship recycling facility in the European List.

Communications: each Member State shall send to the Commission a report containing a list of the ships flying its flag to which a ready for recycling certificate has been issued, as well as information regarding illegal ship recycling, penalties and follow-up actions undertaken by the Member State.

Penalties: the Member States should lay down rules on penalties applicable to infringements of this Regulation and take all the necessary steps to ensure their application. The penalties must be effective, proportionate and dissuasive.

Financial incentive: by 31 December 2016, the Commission will submit a report on the feasibility of a **financial instrument** that would facilitate safe and sound ship recycling and shall, if appropriate, accompany it by a legislative proposal.

ENTRY INTO FORCE: 30/12/2013. The Regulation is applicable from the earlier of the following two dates, but not earlier than 31 December 2015:

a) six months after the date that the combined maximum annual ship recycling output of the ship recycling facilities included in the European List constitutes not less than 2.5 million light displacement tonnes (LDT).

b) 31 December 2018.

DELEGATED ACTS: the Commission may adopt delegated acts in order to take into account of developments regarding the Hong Kong Convention. The power to adopt such acts is conferred on the Commission for a period of five years with effect from 30 December 2013. The European Parliament or the Council may object to a delegated act within a period of two months from the date of notification (this period may be extended by two months). If the European Parliament or the Council objects to the delegated act shall not enter into force.

Ship recycling

2012/0055(COD) - 23/03/2012 - Legislative proposal

PURPOSE: to prevent, reduce or eliminate adverse effects on human health and the environment caused by the recycling, operation and maintenance of ships flying the flag of a Member State.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

BACKGROUND: current legislation at international and European levels has proven **ineffective to put an end to environmentally unsound and unsafe practices in dismantling ships**. The current widespread non-compliance is linked to : (i) the lack of recycling capacity available within the OECD in particular for the largest commercial ships ; (ii) the fierce and unfair competition between the substandard facilities and other facilities with higher technical standards which are only able to occupy market niches for special types of ships like small ships and government vessels including warships or the fleet of committed shipowners ; (iii) the fact that the current legislation is not adapted to the specificities of ships and international shipping.

At the end of their operating life, most of the large commercial seagoing vessels are still dismantled in substandard facilities located in Asia (India, Pakistan and Bangladesh), usually through "beaching" method and with significant environmental and health impacts. The situation is expected to worsen since large numbers of ships are expected to be sent for dismantling in the coming years.

In order to improve the situation, Parties to the Basel Convention invited, in 2004, the International Maritime Organization (IMO) to develop mandatory requirements for ship Recycling.

The **Hong Kong International Convention** for the Safe and Environmentally Sound Recycling of Ships was adopted in May 2009 by the International Maritime Organization. This Convention, when it comes into force, will require the Parties (including EU Member States) to dismantle their large commercial ships only in countries that are party to the Convention. This may include Asian countries, whose ship dismantling facilities will need to meet internationally accepted standards (higher than the current standards). These facilities will have to treat ships coming from non-Parties in a similar manner as ships flying the flags of the Parties to the Convention (‘no more favourable treatment’ clause).

The Hong Kong Convention was adopted in 2009 but needs to be ratified by a sufficient number of both large flag and recycling states in order to enter into force and start producing effects. This is not expected to happen before 2020 at the earliest.

The **environmentally sound management of ship dismantling** is a priority for the European Union and the early implementation of the Convention is one of the key actions proposed in the Communication of the Commission 'An EU Strategy for better ship dismantling'.

Incorporating the Hong Kong Convention into European legislation would promote harmonised decision-making and speed up the ratification process amongst the Member States. A proposal for a Council decision authorising Member States to ratify or to accede to the Hong Kong International Convention is therefore presented at the same time as this proposal for a Regulation.

IMPACT ASSESSMENT: an impact assessment was conducted by the Commission to consider the options for a ship recycling regime which can be effectively enforced. The analysis considered the economic, social and environmental impacts of different options. Only one policy package fully satisfies the objectives identified as demonstrated in the impact assessment. This option consists in introducing an ad-hoc Regulation covering the ships under the Hong Kong Convention (large commercial seagoing vessels). This Regulation would cover the whole life cycle of EU-flagged ships, implement early the requirements of the Hong Kong Convention and, as allowed by the Convention, include more stringent environmental requirements for ship recycling facilities. Ships flying the flag of EU Member States would only be allowed to be recycled in facilities meeting requirements.

The Commission considers that while it is difficult to expect the current ‘beaching’ facilities to be able to meet these requirements, it is possible that upgraded facilities might be able to fulfil these criteria in the future.

LEGAL BASIS: Article 192(1) TFEU.

CONTENT: the objective of the Ship Recycling Regulation is **to reduce significantly the negative impacts linked to the recycling of EU-flagged ships,** especially in South Asia without creating unnecessary economic burdens. The proposed Regulation **brings into force an early implementation of the requirements of the Hong Kong Convention**, therefore hastening its entry into force globally.

This proposal addresses, by means of a new ad-hoc Regulation, ships which fall within the scope of the Hong Kong Convention (large commercial seagoing vessels). It **covers the whole life cycle of EU-flagged ships,** and implements some of the requirements of the Hong Kong Convention:

- establishment of an **inventory of hazardous materials**;
- obligation to **recycle ships in safe and sound facilities**;
- general **requirements applicable to ships prior to recycling**.

Furthermore, as allowed by the Convention, the proposal includes more stringent environmental provisions which are necessary prior to the entry into force of the Convention :

- requirements for ship **recycling facilities** ;
- establishment of an **European list** of ship recycling facilities;
- establishment of a **contract** between the shipowner and the ship recycling facility.

Contrary to the existing legislation, the proposed Regulation is based on the **system of control and enforcement of the Hong Kong Convention,** which is specifically designed for ships and international shipping (certificates, surveys, specific obligations for the flag state, etc.).

In addition, **EU Member States will be informed in writing and in due time of the shipowner's intention** to send a ship for recycling, thus removing the difficulty of identifying when a ship turns into waste. Member States will receive information about the planned start and about the completion of recycling.

The Regulation will introduce sanctions which are more specific and precise than the ones provided for under the current legislation. These requirements, coupled with the availability of sufficient legally accessible safe and sound recycling and of a system of control well adapted to the specificities of ships will ensure a better compliance with the legislation.

In order to avoid confusion, overlaps and administrative burden, ships covered by this new legislation would no longer be covered by the Waste Shipment Regulation (Regulation (EC) n° 1013/2006.)

BUDGETARY IMPLICATIONS: the proposal has no implications for the EU budget.

DELEGATED ACTS: the proposal contains provisions empowering the Commission to adopt delegated acts in accordance with Article 290 of the Treaty on the Functioning of the European Union.

Ship recycling

2012/0055(COD) - 08/08/2017 - Follow-up document

In accordance with Article 29 ('Financial incentive') of Regulation (EU) No 1257/2013 on ship recycling, the Commission presented a report on the feasibility of a financial instrument that would facilitate safe and sound ship recycling.

Each year, hundreds of large ships are sold for dismantling on the tidal beaches of South Asia, with adverse consequences for the environment and human health.

Difficulties in enforcing the Basel Convention with regards to ships led to the adoption of the Hong Kong Convention in 2009 and the European Ship Recycling Regulation in 2013. The Ship Recycling Regulation sets **more stringent requirements than the Convention**, notably with regards to health, safety and the environment.

The primary instrument is the **European List of ship recycling facilities**. No later than 31 December 2018, EU-flagged ships may only be recycled in listed facilities.

State of play of research: it is recalled that a financial instrument was already considered in the lead up to the adoption of the Hong Kong Convention. A 2005 study called for a 'Ship Recycling Fund' tasked with collecting fees and disbursing funds for environmentally sound scrapping.

Taking a different approach, the Hong Kong Convention contains a 'funding' clause in its article on technical cooperation, on the basis of voluntary contributions.

In 2014, the Commission ordered a study to inform the present report. After discarding several options, the study identified a new option – the **Ship Recycling Licence**. Its key principles are the following:

1. ships calling at EU ports would obtain a prior licence from a centralised agency (e.g. an existing European agency);
2. when applying for the Licence, ship owners would be charged a contribution. The contribution would cover a small administrative retribution (0.8%) and a premium earmarked to the individual ship (99.2%);
3. the premium levied would depend on the capital amount that needs to be accumulated to bridge the financial gap between dismantling in a substandard yard and dismantling in a yard included on the European List at the end of the ship's lifetime;
4. the full capital amount would be paid to the ultimate owner of the ship on a condition that the ship was sent to a ship recycling facility on the European List;
5. the penalty for not opting for recycling in a facility included in the European List would be a forfeiture of the accrued rights;

6. to avoid a system working disproportionally against ships with either very high or very low port call frequency, the Licence validity would be time-based rather than based on the number of calls.

Perspectives: while acknowledging the merits of a potential Ship Recycling Licence (the most promising option assessed thus far), the Commission is aware that a number of issues deserve further analysis, including with regard to the **compatibility of such a potential financial instrument with EU and international law**.

The report noted in this respect that a legal opinion commissioned by the **shipowner organisations** further describes the Ship Recycling Licence as a ' **primary fiscal measure**'. It suggested that the EU would have no competence to administer an EU ship recycling scheme and infers an incompatibility with the UN Law of the Sea Convention (UNCLOS), with World Trade Organisation rules and the Principle of Common but Differentiated Responsibilities.

In contrast, the NGO Shipbreaking Platform published a position paper in October 2016 supporting the legal arguments of the 2016 study.

The Commission concluded that the need for additional measures on financial incentives will be **reassessed at a later stage**, based on an analysis of the use and effects of the European List of ship recycling facilities.