

[AS PASSED BY THE SENATE]

A

Bill

to facilitate and implement Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009, by effectively addressing environmental, occupational health and safety risks related to ship recycling, and to ensure hazardous waste from such ship recycling is subject to environmentally sound management in sustainable way.

It is hereby enacted as follows: -

1. **Short title, extent, and commencement.** - (1) This Act may be called the Environmentally Sound Management of Inventory of Hazardous Material on Ships Act, 2026.

(2) It shall come into force at once.

(3) It shall extend to whole of Pakistan.

(4) This Act shall apply to all ships except: -

(a) any warships, naval auxiliary, or other ships owned or operated by a state and used, for the time being, only on government non-commercial service;

(b) ships of less than 500 gross tonnage; and

(c) ships operating throughout their life only in waters subject to the sovereignty or jurisdiction of the State whose flag the ship is flying.

2. **Definitions.** - In this Act, unless there is anything repugnant in the subject or context:-

(a) "administration" means the government of the state whose flag the ship is entitled to fly, or under whose authority it is operating;

(b) "competent authority" means a governmental authority designated by the respective coastal provincial governments as responsible for ship recycling, within a specified geographical area or an area of expertise, relating to all operations within the jurisdiction of that province;

(c) "Convention" means the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009;

(d) "division concerned", means the division to which the business of maritime affairs stands allocated;

(e) "environmentally sound management" means taking all practicable steps to ensure that waste and hazardous materials are managed in a manner which protects human health and the environment against the adverse effects which may result from such materials and non-recyclable material;

(f) "guidelines" means legally binding document outlining inter alia the policy and standards framed in accordance with the provision of this Act and the Convention;

(g) "hazardous material" means any material or substance which is liable to create hazards to human health and/or the environment;

(h) "national authority" means an office designated as a national authority by the Federal Government for the purposes of this Act under section 3;

(i) "new ship" means a ship for which either:

- (i) the building contract is placed on or after the date of application of this Act;
- (ii) in the absence of a building contract, the keel is laid or the ship is at a similar stage of construction six months after the date of application of this Act or thereafter; or
- (iii) the delivery takes place thirty months after the date of application of this Act or thereafter;
- (j) "recognized organization" means an organization that is certified by the Federal Government to be in compliance with the Code for Recognized Organizations and is approved by Federal Government as a recognized organization;
- (k) "ship" means a vessel of any type whatsoever operating or having operated in the marine environment, and includes submersibles, floating craft, floating platforms, self-elevating platforms, Floating Storage Units (FSUs), and Floating Production Storage and Offloading Units (FPSOs), as well as a vessel stripped of equipment or being towed;
- (l) "ship owner" means the natural or legal person, including company, registered as the owner of the ship owning the ship for a limited period pending its sale or handover for ship recycling facility, or, in the absence of registration, the natural or legal person owning the ship or any other organization or person, such as the manager or the bareboat charterer, who has assumed the responsibility for operation of the ship from the owner of the ship, and the legal person operating a state-owned ship;
- (m) "ship recycler" means owner, operator or lessee of the ship recycling facility or any other organization or person who has assumed the responsibility for carrying out the ship recycling activity and who has agreed to take over all duties and responsibilities imposed by or under this Act;
- (n) "ship recycling" means the activity of complete or partial dismantling of a ship at a ship recycling facility in order to recover components and materials for reprocessing and re-use, whilst ensuring the management of hazardous and other materials, and includes associated operations such as storage and treatment of components and materials on site, but not their further processing or disposal in separate facilities; and
- (o) "ship recycling facility" means a designated site, yard or facility developed as per Convention used for recycling of ships and authorized by the competent authority of the respective coastal provincial government as a ship recycling facility.

3. Designating Authorities.— (1) Directorate General (Ports and Shipping) shall be the national authority for the purposes of this Act unless the Federal Government, by notification, designate any other office as the national authority.

(2) Each coastal provincial government shall designate, in its respective jurisdiction, an entity as competent authority to regulate ship recycling activity in compliance with the provincial acts.

(3) One or more contact person may be designated by the competent authorities for enquiries and coordination with national authority.

4. Power of national authority:- Without prejudice to any other power conferred upon the national authority by this Act or the Federal Government, national authority shall have the following powers to:-

- (a) verify a ship as ready for recycling and accordingly issue a ready for recycling certificate;

Provided that the permission to recycle a ship vest with the competent authority;

- (b) require explicit approval or rejection of ship recycling plan from competent authority;
- (c) prohibit or restrict the installation or use of hazardous materials;
- (d) enter, inspect, verify, and examine any ship in the Pakistani waters for inventory of hazardous material;
- (e) inspect, search, seize, detain and remove ship for violation of this Act and the Convention, and no ship shall set sail unless released by the national authority;
- (f) issue, endorse, suspend, cancel, withdraw, extend, renew inventory of hazardous material certificates;
- (g) impose penalties and sanctions for any violations of the Act and to collect any amount thereof;
- (h) survey and verify the ship for inventory of hazardous material;
- (i) ensure implementation of reporting system;
- (j) frame guidelines not inconsistent with the Convention and the guidelines framed under the Convention;
- (k) accept or evaluate the audit reports submitted by competent authority;
- (l) recommend to the division concerned for changes in list of inventory of hazardous material on the basis of a corresponding amendment in the Convention;
- (m) delegate authority to a recognized organization or any other person for survey and certification; and
- (n) decide on any matter referred to it by the Federal Government or any of the members of the committee.

5. Control of Hazardous Material.- (1) No ship shall install or use prohibited or restricted hazardous materials specified in the official Gazette published by the division concerned.

(2) Each new ship shall have on board an inventory of hazardous materials, which shall identify at least the hazardous materials referred to in notification and contained in the structure or equipment of the ship, their location and approximate quantities.

(3) A ship going for recycling shall comply, as far as practicable, with sub-section (1) from the date of coming into force of this Act.

(4) Every ship shall maintain an updated record of inventory of hazardous material throughout the operational life of ship.

(5) All hazardous material will be treated in the approved designated treatment, storage, and disposal facility as per national and provincial laws.

6. **Survey:** – The National authority shall carryout survey of the ships by itself or through a recognized organization in line with the Convention and the guidelines.

7. **Inspection:** – (1) The national authority, any recognized organization, or any person authorized by it, may inspect any ship while it is at any Pakistani port or within Pakistan maritime zones.

(2) Any such inspection shall be only for the purpose of verification of hazardous material or verifying that there is on board valid certificate of inventory of hazardous materials or a ready for recycling certificate, as the case may be.

(3) A detailed inspection may be carried out by the national authority where a ship does not carry a valid certificate or there are clear grounds for believing either that:

- (a) the condition of the ship or its equipment does not correspond substantially with the particulars of that certificate, or inventory of hazardous material notified, or both; or
- (b) there is no procedure implemented on board the ship for the maintenance of inventory of hazardous material notified.

(4) The Ship may be warned, detained, dismissed or excluded from port or offshore terminals upon failure to produce valid certificates of inventory of hazardous material and ship recycling till such time the non-compliance is rectified or permission is granted by the national authority for such detained-ship to proceed to an appropriate repair yard or port, without danger to the ship, environment or persons on board.

(5) The statement of compliance shall be issued after verification of inventory of hazardous material certificate by the national authority.

8. **Certificates:** - (1) An inventory for hazardous material certificate shall be issued by the national authority for a period starting from the date of successful completion of the respective survey to a date specified by the national authority, which validity period shall not exceed five years.

Provided that where validity of certificate on inventory of hazardous material expires at a time when a ship is not in the port in which it is to be surveyed, the national authority may extend the period of validity of such certificate and this extension shall be granted only:

- (a) for the purpose of allowing the ship to complete its voyage to the port in which it is to be surveyed; or
- (b) in cases where it appears proper and reasonable to the Administration to do so:

Provided further that no certificate shall be extended for a period longer than three months, and a ship to which an extension is granted shall not, on its arrival on the port in which it is to be surveyed, be entitled by virtue of such extension to leave that port without having the certificate renewed.

(2) An inventory for hazardous material certificate issued or endorsed by the national authority shall cease to be valid: -

- (a) if the condition of the ship does not correspond substantially with the particulars of that inventory of hazardous material certificate;
- (b) where the renewal survey is not completed within the intervals as may be prescribed under the guidelines; or

(c) if the ship is subject to international sanctions or detained by other flag administration.

(3) A ready for recycling certificate for any Pakistani flag ship intended for recycling shall be issued for a period specified by the national authority that shall not exceed three months.

(4) A ready for recycling certificate issued by any other administration concerned in respect of a foreign flag ship shall be accepted upon verification and subject to satisfaction of the requirements of this Act and the Convention.

(5) A ready for recycling certificate issued under sub-section (3) or (4) shall cease to be valid where the condition of the ship does not correspond substantially with the particulars of the ready for recycling certificate.

(6) Any ship flying Pakistan flag and intended to be recycled outside the territory of Pakistan shall be recycled only after duly authorized by national authority.

9. Penalties.— (1) Any violation of this Act or the Convention shall be subject to penalization as provided for in Schedule I of this Act.

Provided that Federal Government, on the recommendations of national authority, may amend Schedule I.

(2) Notwithstanding anything contained in any other law for the time being in force, the Federal Government may appoint one or more officers of the national authority to try an offence of any breach or failure to comply with this Act and the guidelines; and any such officer trying an offence shall, for the purpose of the trial, be deemed to be a Magistrate of the first class appointed under the Code of Criminal Procedure 1898 (Act V of 1898), and any proceedings before, and sentence passed by him shall have effect accordingly.

10. Reporting.— (1) The respective competent authority shall give reports to the national authority at regular intervals, once at least every quarter, which shall include but not limited to the information comprising —

- (a) the list of approved facilities;
- (b) list of ships which have not complied with the provisions of this Act or provincial acts;
- (c) action taken against the ship owner or against such ships;
- (d) list of ships recycled; and
- (e) such other information as may be required by the national authority.

(2) National authority shall send to International Maritime Organization such reports as required under the Convention.

11. Power to Exempt.— (1) Notwithstanding anything contained in this Act, the Federal Government may, by order in writing and upon such conditions, if any, as it may think fit to impose, exempt any structure, floating craft, vessel or any class thereof from any specified requirement contained in or prescribed in pursuance of this Act or dispense with the observance of any such requirement, if it is satisfied that the requirement has been substantially complied with or that compliance with the requirement is or ought to be dispensed within the circumstances of the case.

(2) Where an exemption granted under sub-section (1) is subject to any conditions, a breach of any of those conditions shall, without prejudice to any other remedy, be deemed to be an offence under this Act.

12. Power to make rules and policy. (1) The Federal Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(2) The Federal Government may, in consultation with the provincial government, make-

- (a) strategic policy guidelines regarding the long, medium and short-term plans of ship recycling; and
- (b) development strategy for control of inventory of hazardous material, and ship recycling industry.

13. Provincial governments to legislate.— (1) The provincial governments shall make laws and frame guidelines for performance of functions related to ships recycling, which shall not be inconsistent with this Act, the Convention and guidelines made thereunder.

Schedule 1
Penalties

Offence	Punishment
Installs, false declares or uses any prohibited hazardous material in a ship in contravention of the provisions of this Act	fine which may extend to five thousand USD or equivalent in PKR.
Carrying out or engaged in ship recycling without an approved and valid ship recycling certificate or plan	fine which may extend to five thousand USD or equivalent in PKR.
If any ship, after detention or after service of any notice or order for such detention, proceeds to sea before it is released by the national authority	fine which may extend to twenty thousand USD or equivalent in PKR.
Whoever fails to ensure safe and environmentally sound management and removal of any hazardous material from a ship in accordance with the Act	fine with a penalty of PKR 500,000 in case the penalty is not paid within the time & manner as prescribed than with a further penalty of PKR 100,000 per day of violation.
Whoever fails to respond to the notice issued for oil spill	(i) with a fine which may extend to five hundred thousand PKR in case of non-response within twelve hours of issuance of first notice; (ii) with a fine which may extend one million PKR in case of non-response within twenty-four hours of issue of second notice; and (iii) with a fine which may extend to one million PKR, in case of non-response and/or non-payment beyond twenty-four hours of issue of third notice.
Whoever contravenes any of the provisions of this Act or guidelines made thereunder, for which no specific punishment has been provided in this Act	punishable with a fine which may extend to two hundred thousand PKR along with the such cost as may be determined by the national authority and in case of a continuing contravention, with an additional fine which may extend to five hundred USD or equivalent in PKR for every day during which such contravention continues after the conviction for the first such contravention along with such cost as may be determined by the national authority.

STATEMENT OF OBJECTIVES AND REASONS

Ship recycling is a significant economic activity for Pakistan, particularly in coastal provinces, providing raw materials and employment opportunities. However, the dismantling of end-of-life ships generates substantial quantities of hazardous materials such as asbestos, polychlorinated biphenyls (PCBs), ozone-depleting substances, heavy metals, and oil residues, which pose serious threats to human health, occupational safety, and the marine and coastal environment if not managed in a safe and sustainable manner.

2. Recognizing these risks, the International Maritime Organization (IMO) adopted the **Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009** (the "Hong Kong Convention"), to ensure that ships, when being recycled after reaching the end of their operational lives, do not pose unnecessary risks to human health, safety, and the environment. Pakistan, being one of the major ship recycling states, has an obligation to bring its domestic legal framework in harmony with the Convention in order to ensure international compliance, improve safety standards, and sustain its ship recycling industry in a globally competitive market.

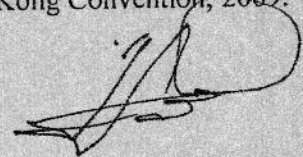
3. The present Bill, titled "**The Environmentally Sound Management of Inventory of Hazardous Material on Ships, 2025**", seeks to:

- i. Facilitate implementation of the Hong Kong Convention, 2009 by establishing a comprehensive legal regime for the environmentally sound management of hazardous materials on board ships and during ship recycling operations.
- ii. Protect human health, safety, and the environment by prohibiting or restricting the installation and use of hazardous materials on ships and by mandating the preparation, updating, and verification of inventories of hazardous materials throughout the operational life of ships.
- iii. Designate authorities at national and provincial levels for effective regulation, coordination, and monitoring of ship recycling activities, ensuring division of responsibilities between the Federal Government and the provincial governments.
- iv. Ensure regulatory compliance and enforcement by providing the national authority with powers to survey, inspect, detain, and issue certificates for hazardous material

management and ship recycling readiness, along with imposing penalties and sanctions for violations.

- v. Promote sustainable ship recycling practices by requiring ship recyclers to comply with environmentally sound management standards, subjecting hazardous wastes to designated treatment, storage, and disposal facilities, and enabling provincial governments to legislate complementary frameworks.
- vi. Align Pakistan's ship recycling industry with international standards, thereby safeguarding market access for Pakistani recyclers, promoting investor and stakeholder confidence, and preventing trade barriers arising from non-compliance with global environmental and safety requirements.
- vii. Strengthen reporting obligations to the International Maritime Organization and other relevant stakeholders for ensuring transparency and accountability.

4. In view of the above, this Bill has been framed to provide a robust legal mechanism for the control, management, and disposal of hazardous materials contained in ships, thereby ensuring safe, environmentally sound, and sustainable ship recycling practices in Pakistan, in compliance with international commitments under the Hong Kong Convention, 2009.



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