

Bill Summary

The Merchant Shipping Bill, 2016

- The Merchant Shipping Bill, 2016 was introduced in Lok Sabha on December 16, 2016 by the Minister of State for Shipping, Mr. Pon Radhakrishnan. The Bill seeks to bring in reforms in the shipping sector to promote ease of doing business, and develop Indian coastal shipping. The Bill replaces the Merchant Shipping Act, 1958, and repeals the Coasting Vessels Act, 1838. Key features of the Bill include:
 - **National Shipping Board:** The Bills allows the central government to establish a National Shipping Board. Members of the Shipping Board will include: (i) six Members of Parliament, and (ii) up to 16 members representing the central government, ship-owners, and seafarers. The Shipping Board will advise the central government on the development of Indian shipping. It will have the power to regulate its own procedure.
 - **Seafarers Welfare Board:** The Bill allows the central government to create a Seafarers Welfare Board. The central government may provide for the composition, term of office, and procedures for conduct of business of the Welfare Board. The Board will advise the central government on measures to promote the welfare of seafarers with regard to the following: (i) lodging and boarding, (ii) provision of hospitals and medical treatment, (iii) educational and other facilities, and (iv) measures to be taken for the welfare of distressed or abandoned seafarers.
 - **Registration of Indian vessels:** Every Indian vessel must be registered at a port or place in India that has been declared as a port of registry by the central government. The Registrar of Indian vessels at each port will grant a certificate of registry and a tonnage certificate to every Indian vessel (indicating the capacity of the vessel). The Bill also specifies the procedure to transfer the ownership of a registered vessel. An Indian vessel may be registered in another country subject to certain conditions.
 - **Rights and standards for seafarers:** The central government will grant a certificate of competence or a certificate of proficiency to seafarers on the basis of service, age limit, medical fitness, training, and examination. All maritime labour standards specified in the Maritime Labour Convention, 2006 will apply to all seafarers and ships registered under the Bill, except ships such as war ships. ships navigating in inland waters, or ships engaged in fishing. The owner of a ship will be required to enter into agreements with every seafarer he engages with. The central government may also establish a Tribunal to resolve disputes between seafarers and their employers.
- **Safety and Security:** The Bill requires all ships to comply with various international conventions such as (i) the Safety Convention, 1974, (ii) the Convention on the International Regulations for Preventing Collisions at Sea, 1972, and (iii) the International convention for Safe Containers, 1972. The master of an Indian vessel, will be required to report all safety and security related incidents to the specified authority. In addition, on receiving distress signals from another vessel, the vessel master must provide them with assistance unless he is unable to do so, or considers it unnecessary under certain circumstances.
- **Maritime liability and compensation:** If two or more vessels were at fault, the liability of damage or loss will be in proportion to the damage caused. The insurer's liability will be limited to claims such as: (i) loss of life or injury, or damage to property resulting from operation of the vessels, (ii) loss resulting from delay, and (iii) removal of a sunk or abandoned ship. The liability of a ship owner with respect to claims arising out of loss of life or personal injury to passengers of a ship will be as specified by the central government.
- **Miscellaneous:** The Bill provides for the manner of prevention and containment of pollution from vessels. It provides for civil liability in case of damage caused due to oil pollution. It also provides for the manner of contribution to the International Oil Pollution Compensation Fund. With regard to ship-wrecks, the Bill provides for the manner of reporting and determination of wrecks, and the liability of owners in case of wrecks. It also provides for the manner of salvage operations (any activity undertaken to assist a ship in danger in navigable waters). The Bill also prescribes penalties for contravention of various provisions such as failing to register a vessel, not obtaining pollution certificates, or not adhering to any of the international safety conventions.

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