

UAE SHIP RECYCLING REGULATION

In what is potentially a significant development for the global shipping and ship recycling industries, the United Arab Emirates (the UAE) issued Circular No. (19) of 2023 on 7 December 2023 announcing the implementation of the UAE Ship Recycling Regulation for Safe and Environmentally Sound Ship Recycling (the UAE SRR)¹.

Whilst its name and acronym are obviously a nod to the European Union's Ship Recycling Regulation (the **EU SRR**)², what is interesting is how much further it potentially goes and the way in which it essentially combines elements of the EU SRR and the European Union's Waste Shipment Regulation³.

Though unspoken in the Circular, the implications are that the UAE intends to actively apply the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal⁴ (to which it is a signatory, and which entered into force in the UAE in 1993) to end-of-life ships.

In addition to regulating the fledgling ship recycling industry in the UAE, the UAE SRR also applies to:

1. UAE flagged vessels (the inference being those vessels flying the flag of the UAE at the time the decision is taken to recycle them, no matter where in the world they are operating at that time).
2. non-UAE flagged ships which were in the territorial waters of the UAE when the decision was made to recycle them; and
3. non-EU flagged ships which were sailed from, or which otherwise called in, the territorial waters of the UAE when enroute to be recycled elsewhere.

The UAE SRR expressly bans the recycling of end-of-life ships both via the "beaching method" (the predominant recycling method in India, Bangladesh and Pakistan) and via the "landing method" (the chosen method for ship recycling in Turkey) and in its place requires their recycling using drydocks or equivalent infrastructure. This will be a concern for the shipping industry given the world's limited ship recycling dry-dock capacity and the 15,000 ships expected to be recycled in the coming decade. Whilst there are various trials currently being undertaken on large scale ship recycling in dry dock, China remains the only country with significant recycling dry dock capacity, and this is currently closed to international tonnage.

In addition, UAE SRR prohibits owners of UAE flagged ships from reflagging their vessels with a view to circumventing the new rules, which is something currently being contemplated by the EU in their review of the EU SRR.

The UAE SRR will also require UAE flagged vessels to carry valid inventories of hazardous materials and by article 11 extends this requirement to non-UAE flagged vessels calling in the UAE, just as the EU SRR does to non-EU flagged vessels calling in the EU. It also appears to ban the installation or use of a fairly widely drafted list of hazardous materials from the ships to which it applies, which taken to its logical conclusion will see many older ships effectively banned from the territorial waters of the UAE.

Finally, under the UAE SRR, non-UAE flagged vessels destined for recycling facilities which do not meet the requirements of the UAE SRR will be in breach of the UAE SRR if they enter the territorial waters of the UAE while enroute. The same applies to vessels in the UAE at the time the decision is made to recycle them.

¹ https://fujairahport.ae/wp-content/uploads/2023/12/NTM344_Attachment.pdf

² [Regulation \(EU\) No 1257/2013 of the European Parliament and of the Council of 20 November 2013 on ship recycling and amending Regulation \(EC\) No 1013/2006 and Directive 2009/16/EC Text with EEA relevance \(europa.eu\)](#)

³ eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32006R1013

⁴ <https://www.basel.int/TheConvention/Overview/TextoftheConvention/tabid/1275/Default.aspx>

This Circular is issued by the UAE Ministry of Energy and Infrastructure without an effective date and thus should be treated as being effective immediately. However, whilst it therefore applies to any ship recycling activities in the UAE with immediate effect, it will not otherwise apply to ships flying the flag of the UAE or ships calling at the UAE until 26 June 2025.

With this law, the UAE seeks to take the lead in encouraging sustainable ship recycling practices and the development of green recycling facilities. The EU may catch up in due course when it announces the revised EU SRR but for now at least, once this regulation applies, it will put the UAE at the head of the queue when it comes to the regulation of ship recycling.

The issuance of the UAE SRR coincides with the introduction of by the UAE of their new Maritime Law, which opens the UAE Ship Registry to foreign shipowners, provided they establish a genuine link to the UAE, and aims to encourage the growth of the UAE flag and maritime cluster.

The UAE SRR is material because it goes beyond the standards set by the EU, which is currently, largely, comfortable with the "landing method". Furthermore, in the same week that Pakistan ratified the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships 2009 (the **HKC**)⁵, to which the UAE is not a contracting party, the UAE SRR potentially puts the UAE, at odds with the HKC and the international ship recycling establishment.

It remains to be seen how this new regulation will develop and be enforced or what the sanctions for a breach might be, but it makes clear the UAE's intention to see capacity in green ship recycling built and to set an example by leading sustainable practices in the maritime industry.

Given the UAE's ambitions to grow the number of vessels registered under its flag and the high number of ships currently calling in UAE territorial waters enroute to be recycled, or during the final stages of their trading life, or otherwise sailing from the UAE for recycling elsewhere (following a decision to sell them for recycling taken while they were in the UAE), the broad reach of the UAE SRR is potentially significant.

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⁵ https://www.ilo.org/safework/info/publications/WCMS_154921/lang-en/index.htm

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