

The International Legal Framework for Ship Recycling

Presented by
Catherine Hofmann



Hong Kong Convention

- The Hong Kong Convention (HKC), was adopted in 2009 and entered into force on June 26, 2025.
- Ratified by 24 countries, accounting for almost 58% of the global shipping fleet.
- Parties include:
 - key ship recycling nations such as India, Bangladesh, Turkey and Pakistan
 - major flag states such as Japan, Liberia, the Marshall Islands and Panama
- Canada and the United States have not ratified HKC

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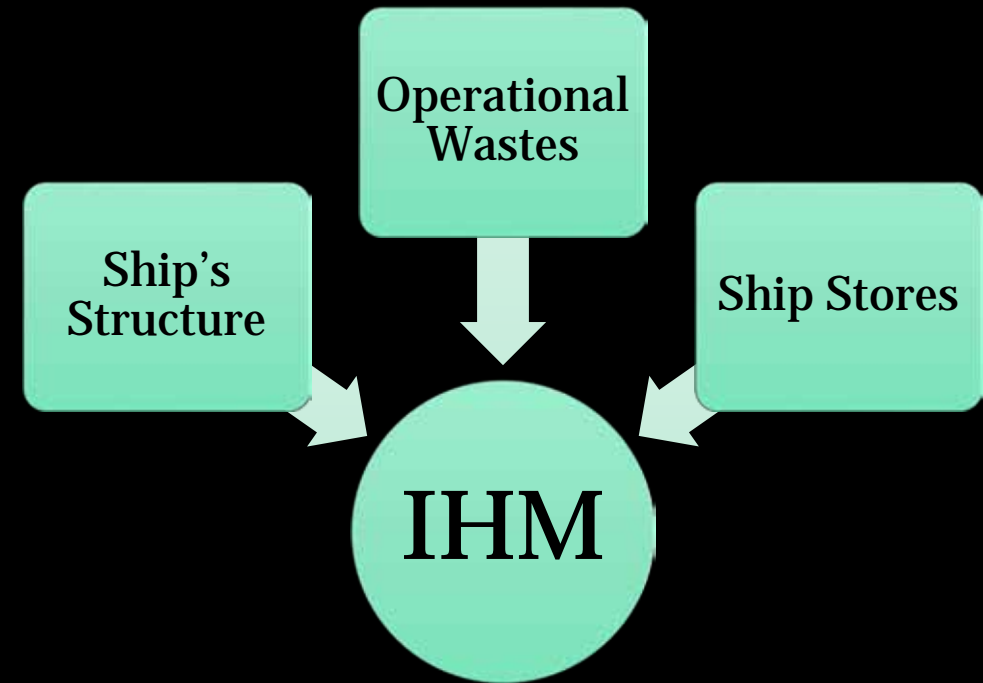
Hong Kong Convention



- The Convention places responsibilities and obligations on shipowners, ship building yards, ship recycling facilities, flag States, port States, and recycling States.
- “Cradle to Grave” approach to both new and existing vessels and the recycling of their materials and equipment.
- Standardizes safe working practices and environmental standards across all ship recycling facilities

Vessel Owner Obligations

- All internationally trading vessels of 500 GT must have on board an International Certificate for Inventory of Hazardous Materials (IHM)
- IHM must include a list of all scheduled hazardous materials contained in the ship's structure and equipment, any operationally generated wastes and all ship stores
- IHM's must be continually maintained and updated
- Vessels surveyed multiple times throughout their operational lifetime



Ship Recycling Facilities

- **Ship-Specific Recycling Plan:** Recycling facilities must develop detailed, ship-specific recycling plans considering the ship's IHM and structural characteristics
- **Authorization of Recycling Facilities:** Facilities must meet internationally recognized standards for environmental management and worker safety
- **Compliance and Oversight:** Enforcement responsibilities lie with individual member states



Port State Control



Vessels of at least 500 GT are subject to Port State control inspections to confirm compliance with IHM



Canadian Authorities may take steps to warn, detain, dismiss, or exclude a non-compliant ship from its ports



Detention may result in berth congestion, reduced operational capacity and increased costs.

EU Ship Recycling Regulation

- Introduced by the European Union in 2013 and came into force in 2018
- Primarily affects EU-flagged ships and those attending at EU ports
- Considered more stringent than HKC and requires that EU listed recycling facilities:
 - operate from built structures, meaning no beaching of vessels is permitted,
 - have access to downstream toxic waste management facilities
 - have access to medical facilities which meet the required standards
- Establishes a list of approved ship recycling facilities in both EU and non-EU countries
- List currently includes 43 facilities: 31 yards located in Europe (EU, Norway and UK), 11 in Turkey and 1 in Brownsville, Texas, USA

Basel Convention

The Basel Convention, was adopted in 1989 and entered into force in 1992.

Restricts the transboundary movement of hazardous waste and hazardous recyclable materials from more developed countries to less developed countries.

191 parties and 53 signatories, including Canada.

The Basel Convention is not shipping-specific but will apply to ships as “waste”.

The Technical Guidelines for the Environmentally Sound Management of the Full and Partial Dismantling of Ships were adopted in 2002 and are intended to provide guidance to countries which have, or wish to establish, facilities for ship dismantling.

Basel Ban Amendment

- The Ban Amendment to the Basel Convention entered into force in December 2019
- More stringent than “prior informed consent”
- Prohibits hazardous waste exports from OECD and EU Member States, to non-OECD and developing countries.
- 103 parties to the Basel Convention have indicated their consent to be bound by the Ban Amendment.



Ratification of Basel Convention and the Ban Amendment

Canada ratified Basel by adopting new regulations under *Canadian Environmental Protection Act, 1999*, (CEPA), in October 2021: The Cross Border Movement of Hazardous Waste and Hazardous Recyclable Material Regulations.

Canada relies on the prior informed consent mechanism in regulating the transboundary movement of hazardous waste and has not yet ratified the Ban Amendment.

Obtaining an export permit for the purpose of ship recycling is complicated and can be difficult.

Although a signatory to the Convention, the United States has not ratified Basel (or the Ban Amendment) because it does not have sufficient domestic statutory authority to implement all of its provisions.

Canada – U.S. Bilateral Agreement on Transboundary Movement of Hazardous Waste

Article 11 Agreement under Basel Convention

- compatible with the control procedures under the Basel Convention
- permits the export, import, and transit of hazardous wastes across the Canada-United States border for treatment, storage, recycling, or disposal
- movement in accordance with Canadian & American laws, including the CEPA Regulations
- more than 98% of Canada's transboundary movements of hazardous waste occur with the US





Abandoned and Derelict Vessels

- Ongoing problem for British Columbia and the States of the Pacific Coast
- 37 vessels in the Pacific Northwest formerly property of the Navy, Coast Guard or other U.S. federal agencies
- \$21 million USD expended by Washington and Oregon to remove and destroy the ADVs

Consequences of Abandoned and Derelict Vessels

For Port Authorities

- § Abandoned vessels take up valuable dock space, reducing capacity for active shipping operations.
- § Maintenance and security costs fall onto port authorities and governments, often resulting in expensive processes to reclaim or dispose of the ships.

For the Environment

- § Neglected ships may leak fuel or hazardous materials, leading to pollution and long-term environmental damage.
- § Rusting hulls and damaged infrastructure can pose safety risks to nearby vessels and marine life.



Questions?