

Brussels, 8 June 2020 REV1 – replaces the notice dated 28 March 2018

## NOTICE TO STAKEHOLDERS

# WITHDRAWAL OF THE UNITED KINGDOM AND EU RULES IN THE FIELD OF SHIP RECYCLING

Since 1 February 2020, the United Kingdom has withdrawn from the European Union and has become a "third country". The Withdrawal Agreement provides for a transition period ending on 31 December 2020. Until that date, EU law in its entirety applies to and in the United Kingdom.

During the transition period, the EU and the United Kingdom will negotiate an agreement on a new partnership, providing notably for a free trade area. However, it is not certain whether such an agreement will be concluded and will enter into force at the end of the transition period. In any event, such an agreement would create a relationship which in terms of market access conditions will be very different from the United Kingdom's participation in the internal market,<sup>5</sup> in the EU Customs Union, and in the VAT and excise duty area.

Therefore, all interested parties, and especially economic operators, are reminded of the legal situation applicable after the end of the transition period (Part A below), as well as the rules applicable in Northern Ireland after the end of the transition period (Part B below).

#### Advice to stakeholders:

To address the consequences set out in this notice, owners of ships flying the flag of a Member State of the EU are in particular advised to consult Part A and Part B of the

Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community, OJ L 29, 31.1.2020, p. 7 ("Withdrawal Agreement").

A third country is a country not member of the EU.

The transition period may, before 1 July 2020, be extended once for up to 1 or 2 years (Article 132(1) of the Withdrawal Agreement). The UK government has so far ruled out such an extension.

Subject to certain exceptions provided for in Article 127 of the Withdrawal Agreement, none of which is relevant in the context of this notice.

In particular, a free trade agreement does not provide for internal market concepts (in the area of goods and services) such as mutual recognition, the "country of origin principle", and harmonisation. Nor does a free trade agreement remove customs formalities and controls, including those concerning the origin of goods and their input, as well as prohibitions and restrictions for imports and exports.

European List containing ship recycling facilities with a view to ascertain whether following the transition period their ships can be recycled at one of the ship recycling facilities currently located in the United Kingdom.

### Please note:

This notice does <u>not</u> address

- maritime transport;
- maritime safety;
- emissions in maritime transport.

For these aspects, other notices are in preparation or have been published.<sup>6</sup>

#### A. LEGAL SITUATION AFTER THE END OF THE TRANSITION PERIOD

After the end of the transition period, the EU Ship Recycling Regulation (EU) No 1257/2013<sup>7</sup> no longer applies in the United Kingdom.<sup>8</sup> This has in particular the following consequences:

#### 1. STATUS OF SHIP RECYCLING FACILITIES LOCATED IN THE UNITED KINGDOM

According to Article 6(2)(a) of Regulation (EU) No 1257/2013, owners of ships flying the flag of a Member State<sup>9</sup> are to ensure that ships destined to be recycled are only recycled at ship recycling facilities that are included in the European List of ship recycling facilities ("the European List").

As of today, the European List<sup>10</sup> includes the following four ship recycling facilities located in the United Kingdom, with the following expiry dates. Currently, all these facilities are included in Part A of the European List containing ship recycling facilities located in a Member State.

Name of the facility	Date of expiry of inclusion

https://ec.europa.eu/info/european-union-and-united-kingdom-forging-new-partnership/future-partnership/preparing-end-transition-period en

<sup>&</sup>lt;sup>7</sup> 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

<sup>&</sup>lt;sup>8</sup> Regarding the applicability of Regulation (EU) No 1257/2013 to Northern Ireland, see Part B of this notice.

<sup>&</sup>lt;sup>9</sup> As per Article 2(1) of the Regulation.

See latest consolidated version: <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02016D2323-20200212">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02016D2323-20200212</a>

Swansea Drydock Ltd	2 July 2020
Harland and Wolff Heavy Industries Limited	3 August 2020
Able UK Limited	6 October 2020
Dales Marine Services Ltd	2 November 2022

Of the four facilities listed above, three are located in Great Britain and one facility (Harland and Wolff Heavy Industries Limited) is located in Northern Ireland.

For two of the three facilities located in Great Britain (Swansea Drydock Ltd and Able UK Limited), the date of expiry of their inclusion in the European List is *before* the end of the transition period. Therefore, as of the expiry dates, the entries included in the European List for these two facilities will have become void, unless the United Kingdom notifies the Commission of the renewal of the authorisation granted to those facilities to conduct ship recycling and these facilities are reincluded in Part A of the European List. However, even if these facilities are reincluded in Part A of the European List, the entry will become void after the end of the transition period. As a consequence, ships flying the flag of a Member State of the EU can no longer be recycled at these ship recycling facilities after these expiry dates (i.e. after 2 July 2020 and 6 October 2020, respectively, or – in case the facilities are re-included in the European List – after 31 December 2020).

For the third facility located in Great Britain (Dales Marine Services Ltd), the date of expiry of its inclusion in the European List is *after* the end of the transition period. Therefore, the entry included in the European List for this facility will become void after the end of the transition period. As a consequence, ships flying the flag of a Member State of the EU can no longer be recycled at this ship recycling facility after the end of the transition period.

Should the three above-mentioned facilities located in Great Britain wish to continue to recycle ships flying the flag of a Member State of the EU in the future, they would need to submit an application to the Commission for inclusion in Part B of the European List, in accordance with Article 15 of Regulation (EU) No 1257/2013. Then, if found compliant with the substantive requirements of Regulation (EU) No 1257/2013, they may be re-included in Part B of the European List, which contains approved ship recycling facilities located in a third country.

## 2. INVENTORY OF HAZARDOUS MATERIALS

According to Article 12 of Regulation (EU) No 1257/2013, all ships flying the flag of a third country and calling at a port or anchorage of a Member State are to have on board an inventory of hazardous materials that complies with the provisions of Regulation (EU) No 1257/2013, together with an accompanying certificate (statement of compliance).

After the end of the transition period ships flying the flag of the United Kingdom will have to comply with this requirement.

## B. APPLICABLE RULES IN NORTHERN IRELAND AFTER THE END OF THE TRANSITION PERIOD

After the end of the transition period, the Protocol on Ireland/Northern Ireland ("IE/NI Protocol") applies.<sup>11</sup> The IE/NI Protocol is subject to periodic consent of the Northern Ireland Legislative Assembly, the initial period of application extending to 4 years after the end of the transition period.<sup>12</sup>

The IE/NI Protocol makes certain provisions of EU law applicable also to and in the United Kingdom in respect of Northern Ireland. In the IE/NI Protocol, the EU and the United Kingdom have furthermore agreed that insofar as EU rules apply to and in the United Kingdom in respect of Northern Ireland, Northern Ireland is treated as if it were a Member State.<sup>13</sup>

The IE/NI Protocol provides that Regulation (EU) No 1257/2013 applies to and in the United Kingdom in respect of Northern Ireland.<sup>14</sup>

This means that references to the EU in Part A of this notice have to be understood as including Northern Ireland, whereas references to the United Kingdom have to be understood as referring only to Great Britain.

More specifically, this means the following:

- The ship recycling facility located in Northern Ireland (Harland and Wolff Heavy Industries Limited), can continue to stay in Part A of the European List following the transition period, provided that the United Kingdom notifies the Commission of the renewal of the authorisation granted to that facility to conduct ship recycling and this facility is re-included in Part A of the European List. However, Commission services have so far not received such communication from the competent authorities of the United Kingdom.
- When calling at a port or anchorage of Northern Ireland, ships flying the flag of a third country, including the flag of the United Kingdom, have to have on board an inventory of hazardous materials that complies with Regulation (EU) No 1257/2013 (cf. section A2 of this notice).

The Commission website on ship recycling (<a href="https://ec.europa.eu/environment/waste/ships/">https://ec.europa.eu/environment/waste/ships/</a>) provides additional information, including the latest version of the European List of ship recycling facilities. It will be updated with further information, where necessary.

European Commission
Directorate-General Environment

Article 7(1) of the Withdrawal Agreement in conjunction with Article 13(1) of the IE/NI Protocol.

<sup>11</sup> Article 185 of the Withdrawal Agreement.

<sup>12</sup> Article 18 of the IE/NI Protocol.

Article 5(4) of the IE/NI Protocol and section 25 of annex 2 to that Protocol.