



Department
for Transport

Consultation on improvements to the Merchant Shipping (Light Dues) Regulations



September 2021

Department for Transport
Great Minster House
33 Horseferry Road
London
SW1P 4DR



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Front cover image of St. Anthony Lighthouse (Cornwall) courtesy of Trinity House.

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1. Executive summary

- 1.1 This consultation seeks your views on proposals to revoke the Merchant Shipping (Light Dues) Regulations 1997¹ (the 1997 Regulations) and replace them with the new draft regulations at **Annex A**.
- 1.2 Light Dues are a hypothecated tax levied on commercial, fishing and some leisure vessels calling at UK and Irish ports. They pay for the costs of the General Lighthouse Authorities (GLAs) such that they make no call on the UK Exchequer. The GLAs (Trinity House, the Northern Lighthouse Board and Irish Lights) are Department for Transport (DfT) Non-Departmental Public Bodies with statutory responsibilities to operate and maintain aids to navigation (such as lighthouses and buoys) around the coast of the UK and the island of Ireland and respond to new dangers to navigational safety (such as wrecks). The role of the GLAs is vital to the safety of shipping and all mariners in what are some of the most dangerous and congested waters in the world.
- 1.3 Light Dues are collected in the UK by agents authorised by Trinity House and paid into the General Lighthouse Fund (GLF). Management of the GLF is a statutory responsibility of the Secretary of State for Transport under the Merchant Shipping Act 1995 and a dedicated Annual Report and Accounts are laid before Parliament.
- 1.4 Although Light Dues themselves are hundreds of years old, the current regime is set out in the 1997 Regulations. These explain which vessels must pay Light Dues, the rate to be paid, how this is calculated and those vessels which may be exempt.
- 1.5 In line with better regulation practice, DfT reviews all the legislation for which it has responsibility on a periodic basis. A recent review of the 1997 Regulations recommended that their format and drafting should be revised to bring them into line with modern statutory instrument drafting practice as well as highlighting the potential to improve regulatory clarity and reduce administrative burdens and costs for both the sector and the GLF. This consultation seeks your views on the amendments proposed by DfT to implement those recommendations which are explained below.
- 1.6 Please note that **DfT is not proposing any amendments to the main elements of the Light Dues regime and is not consulting more broadly on its applicability**. DfT believes the wider regime continues to operate well and remains fit for purpose.
- 1.7 Subject to consultation responses, DfT intends to make the new regulations when the next change to the headline rate of Light Dues is introduced.

¹ S.I. 1997/562 (as amended) available from www.legislation.gov.uk/ukSI/1997/562/contents/made.

2. How to respond

- 2.1 The consultation period began on 20 September 2021 and will run until 15 November 2021. Please ensure that your response reaches DfT before the closing date. If you would like further copies of this consultation document, these can be downloaded from www.gov.uk/dft#consultations or you can contact maritimesafety@dft.gov.uk if you require alternative formats (Braille, audio CD, etc.)
- 2.2 Please send your consultation response to maritimesafety@dft.gov.uk or write to:

Maritime Safety Team
Department for Transport
Zone 4/01
Great Minster House
33 Horseferry Road
London SW1P 4DR
- 2.3 Please state whether you are responding as an individual or representing the views of an organisation. If responding on behalf of a larger organisation, please make it clear who the organisation represents and, where applicable, how the views of members were assembled.

Freedom of Information

- 2.4 Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the Freedom of Information Act 2000 (FOIA) or the Environmental Information Regulations 2004.
- 2.5 If you want information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.
- 2.6 In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information, we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on DfT.
- 2.7 DfT will process your personal data in accordance with the Data Protection Act (DPA) and, in the majority of circumstances, this will mean that your personal data will not be disclosed to third parties.

Data Protection

- 2.8 DfT is carrying out this consultation to seek views on the revocation and replacement of the Merchant Shipping (Light Dues) Regulations 1997 by the draft Merchant Shipping (Light Dues) Regulations (at **Annex A**). This consultation, and the processing of personal data that it entails, is necessary for the exercise of our functions as a government department. If your answers contain any information that allows you to be identified DfT will, under data protection law, be the Controller for this information.
- 2.9 As part of this consultation we're asking for your name and email address. This is in case we need to ask you follow-up questions about any of your responses. You do not have to give us this personal information. If you do provide it, we will use it only for the purpose of asking follow-up questions.
- 2.10 DfT's privacy policy has more information about your rights in relation to your personal data, how to complain and how to contact the Data Protection Officer. You can view it at www.gov.uk/government/organisations/department-for-transport/about/personal-information-charter.
- 2.11 Your information will be kept securely on a secure IT system within DfT and destroyed within 12 months after the consultation has been completed.

Impact Assessment

- 2.12 An Impact Assessment has not been prepared for these proposed amendments because the regulations are not defined as a "regulatory provision" under Section 22(4)(a)(i) of the Small Business, Employment and Enterprise Act 2015 since they relate to a variation of tax.

3. Introduction

3.1 This chapter explains the background to Light Dues and the current regime.

What are Light Dues?

- 3.2 Light Dues are a hypothecated tax levied on commercial, fishing and some large leisure vessels calling at UK and Irish ports.
- 3.3 Light Dues receipts are paid into the General Lighthouse Fund (GLF). Management of the GLF is a statutory obligation placed on the Secretary of State and is undertaken by DfT officials.
- 3.4 The costs of the General Lighthouse Authorities (GLAs) are met from the GLF such that they make no call on the UK Exchequer. The GLAs have a statutory obligation to operate and maintain marine aids to navigation and respond to new wrecks and other navigational safety dangers in UK and Irish waters.
- 3.5 The 1997 Regulations are made under powers in the Merchant Shipping Act 1995. They outline the Light Dues regime including the vessels must pay Light Dues, the rate to be paid, how this is calculated and those vessels which may be exempt.

How are Light Dues set and collected?

- 3.6 Light Dues rates are set according to the tonnage, size and frequency of trips a vessel makes. The UK and Irish governments set Light Dues rates independently with the key aims of maintaining stability for the sector and ensuring sufficient resources are available to fund GLA operations.
- 3.7 Trinity House (one of three GLAs) authorises collection agents (usually shipping agents) to collect Light Dues in the UK on behalf of the GLF. Trinity House employs a dedicated Light Dues Collection Team, based at its operational headquarters in Harwich, consisting of six administrators and the GLF Accountant.

What Light Dues exemptions exist?

- 3.8 The 1997 Regulations include criteria for determining which vessels may be exempt from the requirement to pay Light Dues. These exemptions partly exist to ensure that any vessel entering a port for safety reasons does not have to pay Light Dues. Vessels undertaking dredging activities for statutory authorities are also exempt on the basis that they are unlikely to use aids to navigation and charges would simply

add to port costs when vessels are undertaking vital safety improvements. 13 exemptions are currently listed.

- 3.9 Each exemption criterion needs to be clear to ensure that there is no ambiguity in whether it is applicable to a particular vessel or voyage. This is vital for the sector in understanding any costs which may be involved in bringing a vessel into port and to assist with the Light Dues collection process. Any exemption criteria which are less than transparent can result in time consuming deliberations, the necessity of legal advice and create an added administrative burden and cost to both the sector and the GLF.

What is the current situation?

- 3.10 The 1997 Regulations have now been in place for over 20 years. While they have been amended on several occasions since they came into force, the majority of these revisions have only dealt with changes to the headline rate of Light Dues. In line with better regulation practice, however, DfT reviews all legislation for which it has responsibility on a periodic basis.
- 3.11 A recent review of the 1997 Regulations recommended that their format and drafting should be revised to bring them into line with modern statutory instrument drafting practice as well as potential to improve regulatory clarity and reduce administrative burdens and costs for the sector. They also identified some of the current exemption criteria as being difficult to interpret and, as a result, apply in a manner consistent with the policy intent.
- 3.12 This consultation seeks your views on the amendments proposed by DfT to implement those recommendations which are explained in more detail below and are given effect in the new draft regulations at **Annex A**.

4. Proposed changes

- 4.1 The proposed new regulations (at **Annex A**) will, if brought into force, revoke and replace the 1997 Regulations in their entirety. The key aims of the amendments, which are explained in further detail below, are to:
- further improve regulatory clarity;
 - ensure the exemption criteria are transparent and align with policy goals;
 - deliver a reduction in administrative costs and burdens; and
 - modernise formatting and drafting in line with modern legislation practice.

1997 Regulations

- 4.2 The 1997 Regulations have been in place for over 20 years and, while they have been amended or modified a number of times during that period, the majority of these changes have only dealt with revisions to the headline Light Dues rate.
- 4.3 Following a review, DfT proposes that the 1997 Regulations are revoked and remade with the aim of updating and consolidating previous amendments, modernising the original drafting to bring it in line with current practice and to improve regulatory clarity. DfT is not proposing any amendments to the main elements of the regime itself as we believe this continues to operate well. Although the format and drafting of some of the provisions in the 1997 Regulations has been changed to improve clarity there is no intention to change the outcome, or impact, the current legislative position.

Question 1a: Do you think the changes DfT is proposing (at Annex A) improve the legislative clarity of the 1997 Regulations?

Question 1b: Do you know of any unintended consequences of the proposed changes to modernise and consolidate the 1997 Regulations? Please provide evidence where possible.

- 4.4 Paragraphs 4.5 to 4.26 below provide further explanation of the amendments DfT is proposing to make to the list of vessels that are exempted from Light Dues that is currently available in **Schedule 2, Part IV of the 1997 Regulations**. Note that exemptions relating to vessels included in paragraphs 1, 4, 5 and 7 to 13 of Schedule 2 are considered to operate well in practice and no amendments are therefore being made to those provisions. However, we would welcome your views if any exemptions are of concern to you or your organisation.

Paragraph 2

- 4.5 Paragraph 2 of Schedule 2, Part IV of the 1997 Regulations provides an exemption for:

'Ships of less than 20 tons, other than ships liable to pay light dues by reference to their length'.

- 4.6 The wording is clear that the intention is to exempt ships of less than 20 tons from the requirement to pay Light Dues.
- 4.7 However, there are several different legislative regimes in the maritime sector which define tonnage in different ways including, for example, Gross Tonnage, Metric tonnes, Imperial tons, Displacement Tonnage, etc. This creates difficulties during the Light Dues collection process when collecting from smaller pleasure vessels as to whether they are less than 20 tons. This is usually done through a request to vessel owners to verify their tonnage through existing documentation, although this is not always readily available and creates an administrative burden for both the owner or operator and the Light Dues collection team.
- 4.8 Several potential policy options are available to resolve this issue since doing nothing, and allowing the exemption to remain as it is, would perpetuate the current uncertainty over the measurement of tonnage.
- 4.9 An amendment to state a specified measurement of tonnage has been considered. Although this would provide clarity to the sector on tonnage type, either Gross Tonnage or Net Tonnage would need to be chosen. Gross Tonnage is a function of the moulded volume of all enclosed spaces of the ship while Net Tonnage is a function of the moulded volume of all the cargo spaces of the ship. If Gross Tonnage were chosen, it would potentially bring some smaller vessels, which are currently exempt, within scope of payment of Light Dues. This would change the policy intent behind this exemption and so has been rejected. Pleasure vessels do not generally have any significant cargo space and specifying Net Tonnage as the basis for this exemption has also been rejected for that reason.
- 4.10 An amendment to use the same tonnage definition currently applied to windfarm and commercial operators with the 1997 Regulations (Schedule 2, Part I, Para 1(a)) has also been considered. This indicates that:

'a ship's tonnage shall be its net tonnage assessed in accordance with the International Convention on Tonnage Measurement of Ships 1969 and entered on its International Tonnage Certificate (1969) or, if this certificate is not available for any

reason, the ship's gross registered tonnage or, in the case of an unregistered ship or a ship measured only by length, the tonnage reckoned in accordance with the Thames Measurement adopted by Lloyds Register'

- 4.11 However, most pleasure vessels do not have an International Tonnage Certificate and would have to pay for an independent assessment. The measurement is also designed for larger ships and the Thames Measurement technique, under which an assessment is required if an International Tonnage Certificate is not available, can often result in a high tonnage value. As with Gross and Net Tonnage, application would also be likely to bring a significant number of additional pleasure vessels and motor yachts within scope of payment of Light Dues since those with a Gross Tonnage of well below 20 tons would no longer be exempt. This would also alter the policy intent behind the current exemption and has been rejected.
- 4.12 Making all vessels on the UK Small Ships Register (SSR) exempt has also been considered. The SSR proves ship nationality when sailing outside of UK waters and is for ships which measure less than 24 metres (79 feet) in overall length. Whilst the SSR is already established, the joining conditions and joining fee may exclude some owners who do not take their vessels outside of UK waters and would not recognise non-UK pleasure vessels which would then need to pay Light Dues. DfT would prefer not to exclude any vessel owners or require them to register on the SSR in order to benefit from this exemption and this option has also been rejected.
- 4.13 Instead, DfT proposes that this exemption is amended to remove the reference to tons and applying it instead to vessels, other than tugs or fishing vessels, with a length of 24 metres or less. Since 24 metres is already recognised as a threshold for pleasure vessels in the SSR and other maritime legislation, it well understood by the sector and will provide additional clarity to the application of this exemption. Owners are likely to have information about the length of their vessels since it is already required for other (registration and safety) purposes.
- 4.14 We do not anticipate that this change will result in a significant increase or decrease in the number of vessels which are exempt or liable to pay Light Dues but it will provide a more relevant basis for the exemption providing additional clarity for both the sector and the Light Dues collection team as to which vessels are liable to pay.
- 4.15 The suggested new exemption in the draft regulations (at **Annex A**) is in paragraph 2, Schedule 1:

'Ships other than tugs or fishing vessels with a length of 24 metres or less'

Question 2a: What do you think of the proposed change for the basis of this exemption from ships of less than 20 tons to vessels measuring under 24 meters?

Question 2b: What would be the impact of this proposal on you or your organisation? Please provide evidence where possible.

Paragraph 3

4.16 Paragraph 3 of Schedule 2, Part IV of the 1997 Regulations provides an exemption for:

‘Sailing ships used exclusively for sail training purposes, operating as travelling museums or vessels of historical interest’.

4.17 This exemption can potentially be interpreted in several different ways leading to possible differences of legal opinion on whether a vessel might be liable to pay Light Dues. For example, it is not clear whether the exemption exists for sailing ships used exclusively for sail training purposes, or sailing ships operating as travelling museums and vessels of historical interest, or whether it is applicable only to sailing ships which are also vessels of historical interest.

4.18 Although the number of ships to which this exemption might apply is extremely small, they tend to be charities for whom the additional costs of Light Dues may have a significant impact on their operational budget. This criterion exists to ensure that these owners and operators can provide vital safety training or facilitate greater understanding of the conditions experienced at sea by our forebears. To retain the current paragraph would be to perpetuate existing uncertainty over its interpretation which also results in additional administrative and, potentially, legal costs to both owners and operators and the GLF.

4.19 DfT proposes that this exemption is amended for legal clarity so that all sailing ships operated by a registered charity and used primarily for sail training purposes are exempted. An organisation’s charitable status is a matter of public record. Through using registered charitable status as the first criteria, and training purposes as the second criteria to be satisfied for the exemption to apply we are able to recognise that, although charities occasionally use their assets for paid charter purposes which are cycled back into the charity to pay for the upkeep of the vessel and subsidise training, these purposes would not satisfy both criteria for the exemption. In those circumstances, the GLF could continue to require payment of Light Dues as appropriate because the charity would, in effect, be generating income from a sailing ship that was used for purely commercial purposes.

4.20 The proposed new exemption in the draft regulations (**Annex A**) is in paragraph 3, Schedule 1:

‘Sailing ships used for sail training purposes by—

- a) in England and Wales, a charity registered under section 30(1) of the Charities Act 2011;***
- b) in Scotland, a charity registered within the meaning of section 13(1) of the Charities and Trustee Investment (Scotland) Act 2005;***
- c) in Northern Ireland, a charity registered under section 16(2) of the Charities Act (Northern Ireland) 2008.’***

- 4.21 DfT also proposes that, when considering historic vessels, a standalone exemption is added for any historic vessel registered on the National Register of Historic Vessels. This establishes a nationally recognised criteria as to which historic vessels are exempt. For this reason, we propose that ‘travelling museums’, which is a subjective term also open to misinterpretation, is removed from the exemption criteria as such museums are likely to be already captured through one of the other exemptions or through registration on the National Register of Historic Vessels, which is free.
- 4.22 The new exemption for historic vessels, in the draft regulations (**Annex A**) is in paragraph 4, Schedule 1:

‘Vessels registered on the National Register of Historic Vessels’.

Question 3a: What do you think of the proposed change to make only sailing ships used primarily for sail training by a registered charity exempt?

Question 3b: What do you think of the proposed change to add a standalone exemption for historic vessels registered on the National Register of Historic Vessels?

Question 3c: What do you think of the proposed change to remove the reference to ‘travelling museums’ from the exemption?

Question 3d: What would be the impact of the proposed changes to you or your organisation? Please provide evidence where possible.

Paragraph 6

- 4.23 Paragraph 6 of Schedule 2, Part IV of the 1997 Regulations provides an exemption for:

‘Ships putting in solely for bunkers, stores, crew changes, embarkation or disembarkation of pilots, a medical emergency, or for provisions for their own use on board, unless they are otherwise engaged in any revenue earning or commercial activity or service’.

- 4.24 This means that UK-based vessels which operate in a support capacity, such as an offshore sector support vessel, are able to use this exemption and avoid having to pay Light Dues contrary to DfT policy. DfT does not believe it is appropriate to exempt such vessels because their arrival in port forms a part of their commercial activity.

4.25 DfT therefore proposes to amend the exemption so that it will only apply if the general lighthouse authority is satisfied that the vessel is not ordinarily kept at the port to which the arrival relates.

4.26 The revised exemption in the new regulations (at **Annex A**) is in paragraph 6, Schedule 1:

‘Ships putting in solely for bunkers, stores, crew changes, embarkation or disembarkation of pilots, a medical emergency, or for provisions for their own use on board, provided that—

(a) they are not otherwise engaged in any revenue earning or commercial activity or service; and

(b) the general lighthouse authority is satisfied that the vessel is not ordinarily kept at the port to which the arrival relates’.

Question 4a: What do you think of the proposed change to ensure that vessels engaged in commercial activity should not be exempt?

Question 4b: What would be the impact of the proposed change to you or your organisation? Please provide evidence where possible.

Periodical payments, the two-payment system

4.27 Part II of Schedule II of the 1997 Regulations² provides two payment options for tugs and fishing vessels. They are either:

- an annual payment per ship of £190 plus a payment of £20 for each metre of length in excess of 10 metres; or
- two equal payments per ship of £110 plus a payment of £12 for each metre in excess of 10 metres in respect of each six months period commencing respectively on 1 April and 1 October.

4.28 The half-yearly payment is designed to enable, for example, the owners of seasonal fishing vessels to claim exemption for the winter in which they are laid up. However, this creates an additional administrative burden on the Light Dues collection team, and therefore cost to the GLF, since it requires them to bill at the half-year point following a cross check against the Maritime and Coastguard Agency’s fishing vessel register.

4.29 Uptake of the two-payment system is extremely low, at approximately 50 vessels, as the vast majority of vessels pay per voyage and are billed annually. The difference in

² Amended by the Merchant Shipping (Light Dues) (Amendment) Regulations 2002 [S.I. 2002/504]

cost between the annual payment and one of the two equal payments is £80 (depending on the length of the vessel).

4.30 DfT is seeking views on whether the two-payment system should be retained or removed in favour of a simple single, annual, payment with no change to the current rate. If the two-payment system was removed, a suitable revision to new regulations (at **Annex A**) would be added.

Question 5a: Do you think the two-payment system should be retained or removed?

Question 5b: What would be the impact of the removal of the two-payment system in favour of a single, annual, payment only on you or your organisation? Please provide evidence where possible.

5. What will happen next

- 5.1 Once this consultation closes, we will review all responses. In considering the responses we will apply appropriate weight to those from organisations and individuals with specialist knowledge of the subject area.
- 5.2 A summary of responses, including the next steps, will be published within three months of the consultation closing. Paper copies will be available on request.
- 5.3 Where appropriate, the proposed regulations will be revised to take into account the consultation responses.
- 5.4 Subject to your views, DfT intends to introduce the new regulations when the next change to the headline rate of Light Dues is introduced.

If you have questions about this consultation please contact maritimesafety@dft.gov.uk or write to:

Maritime Safety Team
Department for Transport
Zone 4/01
Great Minster House
33 Horseferry Road
London SW1P 4DR

Annex A: Draft Regulations

STATUTORY INSTRUMENTS

2022 No.

MERCHANT SHIPPING

The Merchant Shipping (Light Dues) Regulations

| | | |
|-------------------------------|---------|-------------------------|
| <i>Made</i> | - - - - | *** |
| <i>Laid before Parliament</i> | | *** |
| <i>Coming into force</i> | - - | <i>1st April [Year]</i> |

The Secretary of State, in exercise of the powers conferred by section 205(5) of the Merchant Shipping Act 1995⁽³⁾, makes the following Regulations.

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Merchant Shipping (Light Dues) Regulations [Year] and come into force on 1st April [Year].

(2) These Regulations extend to England and Wales, Scotland and Northern Ireland.

Interpretation

2. In these Regulations—

“fishing vessel” means any fishing vessel registered under Part 2 of the Merchant Shipping Act 1995 (registration of British ships) or registered as a fishing vessel under the law of another country;

“general lighthouse authority” means a general lighthouse authority included under section 193(1) of the Merchant Shipping Act 1995;

“length”—

(a) in relation to a fishing vessel or a tug means—

(i) the registered length shown in the ship’s certificate of registry; or

(ii) in relation to such a ship having no registered length, it means the length which would be the registered length if the ship were registered under Part 2 of the Merchant Shipping Act 1995;

⁽³⁾ 1995 c. 21.

- (b) in relation to inflatable, rigid inflatable boats or boats fitted with a buoyant collar means, the length from the foremost part of the tube or collar to the aftmost part of the collar;
- (c) in relation to all other vessels means, the overall length from the foreside of the foremost fixed permanent structure to the aft side of the aftermost fixed permanent structure of the vessel;

“pleasure vessel” means—

- (a) any vessel which at the time it is being used is—
 - (i) in the case of a vessel wholly owned by—
 - (aa) an individual or individuals, used only for the sport or pleasure of the owner or the immediate family or friends of the owner; or
 - (bb) a body corporate, used only for sport or pleasure and on which the persons on board are employees or officers of the body corporate, or their immediate family or friends; and
 - (ii) on a voyage or excursion which is one for which the owner does not receive money for or in connection with operating the vessel or carrying any person, other than as a contribution to the direct expenses of the operation of the vessel incurred during the voyage or excursion; or
- (b) any vessel wholly owned by or on behalf of a members’ club formed for the purpose of sport or pleasure which, at the time it is being used, is used only for the sport or pleasure of members of that club or their immediate family, and for the use of which any charges levied are paid into club funds and applied for the general use of the club,

where, in the case of any vessel referred to in paragraph (a) or (b), no other payments are made by or on behalf of users of the vessel, other than by the owner; and in this definition “immediate family” means, in relation to an individual, the spouse or civil partner of the individual, and a relative of the individual or the individual’s spouse or civil partner; and “relative” means brother, sister, ancestor or lineal descendant;

“tonnage” means—

- (a) the net tonnage of a ship assessed in accordance with the International Convention on Tonnage Measurement of Ships 1969 and entered on its International Tonnage Certificate (1969); or
- (b) if the International Tonnage Certificate for the ship is not available for any reason, and—
 - (i) the ship is registered as a British ship for the purposes of Part 2 of the Merchant Shipping Act 1995, the ship’s gross registered tonnage; or
 - (ii) in the case of an unregistered ship or a ship measured only by length, the tonnage reckoned in accordance with the Thames Measurement adopted by Lloyd’s Register;

“year” means any period of 12 calendar months beginning with 1st April.

Light dues

3.—(1) Light dues are not payable in respect of exempt vessels of a type described in Schedule 1.

(2) If a vessel is not exempt under paragraph (1) light dues levied in accordance with these Regulations must be paid—

- (a) periodically in respect of a ship which is a tug, fishing vessel or a pleasure vessel; or
- (b) per voyage for a ship in all other cases.

Periodical payments

4.—(1) For the classes of ships included in this regulation, light dues must be levied by way of periodical payments of the following amounts.

Tugs and fishing vessels

(2) Unless paragraph (5) applies, a general lighthouse authority, or its authorised collector, must inform the registered owner of a tug or fishing vessel kept in the area for which that lighthouse authority has responsibility that light dues must be paid by means of—

- (a) a single payment in accordance with paragraph (3)(a); or
- (b) two equal payments in accordance with paragraph (3)(b).

(3) If this paragraph applies, the payment is—

- (a) an annual rate per ship comprised of a fixed charge of £190 plus £20 for each metre of length in excess of 10 metres; or
- (b) a payment per ship of £110 plus £12 for each metre of length in excess of 10 metres for each six month period commencing on 1st April and 1st October respectively.

(4) For the purposes of paragraph (3), where the length that is in excess of 10 metres is not a multiple of one metre, any excess not exceeding half a metre must be rounded down and any excess over half a metre must be rounded up to the nearest such metre.

(5) This paragraph applies if the registered tug or a fishing vessel is kept for a part of the year in the area for which a general lighthouse authority has responsibility.

(6) If paragraph (5) applies, the payment of light dues is one-twelfth of the appropriate annual rate calculated under paragraph (3)(a) for each month or part of the month for which the vessel is kept in the area for which the general lighthouse authority has responsibility subject to a minimum payment of £60.

Pleasure vessels

(7) The payment for a pleasure vessel which is kept for the whole year in the area for which a general lighthouse authority has responsibility is £77.

(8) The payment for a pleasure vessel which is kept for a part of the year in the area for which a general lighthouse authority has responsibility is the lower of—

- (a) £77 for the year; or
- (b) £26 for each month or part of a month that the vessel is kept in that area.

Vessels declared a total loss

(9) If any vessel to which this regulation applies is declared a total loss during a period for which it has paid or is liable to pay light dues, that vessel must be deemed not to be liable to such dues from the last day of the month in which the said loss occurs.

(10) If paragraph (9) applies, liability to pay a periodical charge with respect to such a vessel is one-twelfth of the annual amount under paragraph (3)(a) or (8)(a) as the case may be, for each month for which a periodical charge is payable subject to a minimum payment of—

- (a) £60 in the case of a tug or fishing vessel; or
- (b) £26 in the case of a pleasure vessel.

(11) Any amount paid in excess of the amount reassessed in accordance with paragraph (10) must be repaid to the person who paid the excess amount.

(12) In this regulation, where the amount payable is not a multiple of a penny, the excess must be rounded down to the nearest penny.

Payments per voyage

5.—(1) A ship which is not a tug, fishing vessel or a pleasure vessel is liable to pay light dues in accordance with paragraph (2) in respect of a voyage which ends at a port in the United Kingdom.

(2) If this paragraph applies, the amount of light dues per voyage must be calculated on basis of the tonnage of the ship at the rate of [] pence per ton subject to a—

- (a) minimum charge of £60; and
- (b) maximum charge of [£].

(3) Where a ship has paid dues under paragraph (1) in respect of a voyage it is not required to pay light dues in respect of any subsequent voyage in any period of one month commencing with the last preceding relevant date.

(4) In any year, a ship must not be required to make payments of light dues for more than nine voyages in total.

(5) A voyage of a ship must be reckoned from port to port.

(6) For the purposes of this regulation—

- (a) where the ship's tonnage is not a multiple of one ton, any excess not exceeding half a ton must be rounded down and any excess over half a ton must be rounded up to the nearest ton;
- (b) where the amount payable is not a multiple of a penny, the excess must be rounded down to the nearest penny;
- (c) "month" means a month commencing with the relevant date;

- (d) “relevant date” means the date on which a ship arrives at a port or place on a voyage in respect of which light dues were paid or payable.

Paying light dues

6.—(1) Any light dues payable under these Regulations must be tendered at the port where the liability arises except as the general lighthouse authority otherwise allows.

Common Provisions

(2) A general lighthouse authority or its authorised collector may serve the invoice for any light dues by post, and the said invoice must be treated as duly served—

- (a) if it is served on any one of the registered owners appearing in the register at the commencement of the period to which the invoice relates; or
- (b) if it is served on a consignee or agent within the meaning of section 207 of the Merchant Shipping Act 1995.

(3) For the purposes of section 7 of the Interpretation Act 1978⁽⁴⁾ (service of documents by post) an invoice is deemed to be properly addressed to a registered owner if it is addressed to that owner at the address for the time being recorded in relation to that owner in the register.

(4) Any arrears of light dues payable under these Regulations may be recovered in accordance with sections 207 (recovery of general light dues) or 208 (distress on ship for general light dues) of the Merchant Shipping Act 1995.

Tugs, fishing or pleasure vessels

(5) Unless—

- (a) paragraph (7) or (8); or
- (b) regulation 4—
 - (i) paragraph (3)(b) (payment by two equal instalments for tugs and fishing vessels); or
 - (ii) paragraph (8)(b) (monthly payments for pleasure vessels),

apply, periodical payments must be paid within 28 days after service of an invoice for the amount of the payment by a general lighthouse authority or its authorised collector.

(6) If regulation 4(3)(b) applies and—

- (a) where the first instalment is paid within 28 days of the service of the invoice, the remaining payment must be paid within 28 days of 1st October; or
- (b) where the first invoice is not paid within 28 days of the service of the invoice, a general lighthouse authority or its authorised collector may withdraw the availability of payment by two equal instalments and require the annual amount payable under regulation 4(3)(a) to be paid.

(7) Any payment under regulation 4(3)(a) or (b) in respect of a tug or fishing vessel which a general lighthouse authority is satisfied is ordinarily registered and kept outside the United Kingdom must be paid at the commencement of the first visit in the period to which it relates by that vessel to a port in the United Kingdom.

(8) Any payment in respect of a pleasure vessel in accordance with regulation 4(8)(b) must be paid at the commencement of the period in respect of which it is due.

Other vessels

(9) Except where paragraphs (5) to (8) apply, light dues must be paid within 28 days after service of an invoice by a general lighthouse authority or its authorised collector showing the amount to be paid.

Revocations

7. The provisions listed in column 1 of the Table in Schedule 2 (Revocations) are revoked to the extent specified in column 3 of that Table.

⁽⁴⁾ 1978 c. 30.

The Merchant Shipping (Light Dues) Regulations

Signed by authority of the Secretary of State for Transport

Date

Name
Parliamentary Under Secretary of State
Department for Transport

SCHEDULE 1

Regulation 3(1)

Description of Vessels Exempt from Lights Dues

1. Ships on charter to Her Majesty or used by a Government department or a foreign Government other than for commercial purposes.
2. Ships other than tugs or fishing vessels with a length of 24 metres or less.
3. Sailing ships used for sail training purposes by—
 - (a) in England and Wales, a charity registered under section 30(1) of the Charities Act 2011⁽⁵⁾;
 - (b) in Scotland, a charity registered within the meaning of section 13(1) of the Charities and Trustee Investment (Scotland) Act 2005⁽⁶⁾;
 - (c) in Northern Ireland, a charity registered under section 16(2) of the Charities Act (Northern Ireland) 2008⁽⁷⁾.
4. Vessels registered on the National Register of Historic Vessels⁽⁸⁾.
5. Tugs and fishing vessels of less than 10 metres in length.
6. Ships putting in solely for bunkers, stores, crew changes, embarkation or disembarkation of pilots, a medical emergency, or for provisions for their own use on board, provided that—
 - (a) they are not otherwise engaged in any revenue earning or commercial activity or service; and
 - (b) the general lighthouse authority is satisfied that the vessel is not ordinarily kept at the port to which the arrival relates.
7. Ships putting in from stress of weather or because of damage or on voyages solely for the purpose of damage or running repairs, where they are not otherwise engaged in a revenue earning or commercial activity or service, provided they do not discharge or load cargo other than cargo discharged with a view to such repairs, and afterwards reshipped.
8. Ships navigating solely and entirely within the limits of a harbour authority; except in the outer areas of the Port of London Authority and the Forth Port Authority where aids to navigation are maintained by the general lighthouse authorities.
9. Any ship (including a pleasure vessel) in respect of any year during the whole of which it is laid up; and in the case of any ship which has opted to pay in two payments as provided for in regulation 4(3)(b), this exemption applies in respect of any period covered by such option, during the whole of which it is laid up.
10. Vessels engaged solely in harbour maintenance, dredging, building or maintenance of sea defences or land reclamation on behalf of a statutory or harbour authority.
11. Vessels solely engaged in pollution control prevention or recovery on behalf of a statutory authority.
12. Vessels engaged solely in the transportation of sewerage waste to spoil grounds by or on behalf of a statutory authority.
13. Vessels putting in or departing in ballast for the purpose of modifications, alteration, scrapping or departing as new buildings from a shipyard, not otherwise engaged in any other revenue earning or commercial activity or service.
14. Dumb barges, lighters, hulks, or other vessels being towed which are specifically designed and built without a means of propulsion.

⁽⁵⁾ 2011 c. 25.

⁽⁶⁾ 2005 asp 10.

⁽⁷⁾ 2008 c. 12 (N.I.).

⁽⁸⁾ The National Register of Historic Vessels is available from the following link-
<https://www.nationalhistoricships.org.uk/registers> or you can contact National Historic Ships UK, Park Row, Greenwich, London, SE10 9NF, telephone number 020 8312 8558.

SCHEDULE 2

Regulation 7

Revocations

| <i>Column 1</i> | <i>Column 2</i> | <i>Column 3</i> |
|--|------------------|--|
| <i>Regulations revoked</i> | <i>Reference</i> | <i>Extent of revocation</i> |
| The Merchant Shipping (Light Dues) Regulations 1997 | 1997/562 | The whole instrument |
| The Merchant Shipping (Light Dues) (Amendment) Regulations 1998 | 1998/495 | The whole instrument |
| The Merchant Shipping (Light Dues) (Amendment) Regulations 2002 | 2002/504 | The whole instrument |
| The Merchant Shipping (Light Dues) (Amendment) Regulations 2004 | 2004/610 | The whole instrument |
| The Civil Partnership Act (Amendments to Subordinate Legislation) Order 2005 | 2005/2114 | Schedule 15, columns 1 and 2, entry in relation to the Merchant Shipping (Light Dues) Regulations 1997 |
| The Merchant Shipping (Light Dues) (Amendment) Regulations 2006 | 2006/649 | The whole instrument |
| The Merchant Shipping (Light Dues) (Amendment) Regulations 2009 | 2009/1371 | The whole instrument |
| The Merchant Shipping (Light Dues) (Amendment) Regulations 2010 | 2010/629 | The whole instrument |
| The Merchant Shipping (Light Dues) (Amendment) Regulations 2014 | 2014/527 | The whole instrument |
| The Merchant Shipping (Light Dues) (Amendment) Regulations 2015 | 2015/458 | The whole instrument |
| The Merchant Shipping (Light Dues) (Amendment) Regulations 2016 | 2016/269 | The whole instrument |
| The Merchant Shipping (Light Dues) (Amendment) Regulations 2017 | 2017/543 | The whole instrument |
| The Merchant Shipping (Light Dues) (Amendment) Regulations 2021 | 2021/280 | The whole instrument |

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations revoke and remake with amendments the Merchant Shipping (Light Dues) Regulations 1997 (S.I. 1997/562) (“the 1997 Regulations”).

Principal changes to the 1997 Regulations

Regulations 2 and 4 to 6 remake the 1997 Regulations with some clarifications so that the provisions can be applied in a consistent way.

Regulation 3 and Schedule 1 provide for vessels that are exempt from light dues under these Regulations. The main changes included in the list of exemptions in Schedule 1 are as follows.

- The exemption for ships of less than 20 tons, other than ships liable to pay light dues by reference to their length has been amended so that it will only apply to ships other than tugs or fishing vessels with a length of 24 metres or less.
- The exemption for sailing ships used exclusively for sail training purposes, operating as travelling museums or vessels of historical interest has been amended so that it will apply to sailing ships used for sail training purposes by a registered charity.
- There is a new exemption for vessels registered on the National Register of Historic Vessels.
- The exemption for ships putting in solely for bunkers, stores, crew changes, embarkation or disembarkation of pilots, a medical emergency, or for provisions for their own use on board has been amended so that the exemption will only apply if the vessel is not otherwise engaged in any revenue earning or commercial activity or service and if the general lighthouse authorities are satisfied that the vessel is not ordinarily kept at the port to which the arrival relates.
- The exemption for any ships that are laid up has been amended so that it cross-refers to the correct regulation.

Regulation 7 and Schedule 2 set out the Regulations revoked by this instrument.

A full impact assessment has not been produced for this instrument as no, or no significant impact on the private, voluntary or public sectors is foreseen.

Annex B: Full list of consultation questions

| Page | Question |
|------|---|
| 9 | 1a: Do you think the changes DfT is proposing (at Annex A) improve the legislative clarity of the 1997 Regulations? |
| 9 | 1b: Do you know of any unintended consequences of the proposed changes to modernise and consolidate the 1997 Regulations? Please provide evidence where possible. |
| 11 | 2a: What do you think of the proposed change for the basis of this exemption from ships of less than 20 tons to vessels measuring under 24 meters? |
| 11 | 2b: What would be the impact of this proposal on you or your organisation? Please provide evidence where possible. |
| 13 | 3a: What do you think of the proposed change to make only sailing ships used primarily for sail training by a registered charity exempt? |
| 13 | 3b: What do you think of the proposed change to add a standalone exemption for historic vessels registered on the National Register of Historic Vessels? |
| 13 | 3c: What do you think of the proposed change to remove the reference to 'travelling museums' from the exemption? |
| 13 | 3d: What would be the impact of the proposed changes to you or your organisation? Please provide evidence where possible. |
| 14 | 4a: What do you think of the proposed change to ensure that vessels engaged in commercial activity should not be exempt? |
| 14 | 4b: What would be the impact of the proposed change to you or your organisation? Please provide evidence where possible. |
| 15 | 5a: Do you think the two-payment system should be retained or removed? |
| 15 | 5b: What would be the impact of the removal of the two-payment system in favour of a single, annual, payment only on you or your organisation? Please provide evidence where possible. |

Annex C: Consultation principles

The consultation is being conducted in line with the Government's key consultation principles which are listed below. Further information is available at <https://www.gov.uk/government/publications/consultation-principles-guidance>

If you have any comments about the consultation process please email consultation@dft.gov.uk or write to:

Consultation Co-ordinator
Department for Transport
Great Minster House
London SW1P 4DR