Dept:	Maritime and Coastguard Agency
Name of measure:	Amend Merchant Shipping (Control and Management of Ships' Ballast Water and Sediments) Regulations 2022 and MSN 1908.
RP Register ref:	*[RPC to complete]*

1. **Please provide evidence supporting the consideration and discounting alternatives for regulation**

Amendments to the Merchant Shipping (Control and Management of Ships' Ballast Water and Sediments) Regulations 2022 and MSN 1908 aim to fully implement changes to the International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM Convention) that have been made at the international level. This involves amending MSN 1908 to capture changes made to the form of the ballast water record book and amending the Merchant Shipping (Control and Management of Ships' Ballast Water and Sediments) Regulations 2022 ("the Regulations") to capture changes made to the BWM Convention regarding the use of electronic record books. Whilst amending the Regulations, an amendment will also be made to clarify the application of the BWM Convention for ships exclusively trading between the Isle of Man and the UK, under Article 3.2(b).

For the proposed intervention, three options were considered:

A do nothing option, where UK legislation will remain unchanged. This will cause confusion and double standards within industry as some ships adopt the new record book whilst others don't, this will create difficulties for UK ships in foreign ports during Port State Control inspections and may lead to detentions or delays. It does not create a level playing field and it will not fulfil the UK's obligations as a Party to the Convention. It will also leave UK legislation out of sync with international regulations on the use of electronic record books.

A non-regulatory option entailing the publication of MIN/advice to industry was also considered. However, the required amendments to the form of the record book imposed by the international regulations cannot be achieved via advice to industry and therefore the impact is much the same as "do nothing" above. With respect to the electronic record books, the amendments to A-1 and B-2 of the BWM Convention cannot be achieved via advice to industry. In view of these considerations, the do nothing and non-regulatory options will fail to meet the objectives for intervention, and hence is considered inappropriate.

A regulatory approach, entailing amendments to the Merchant Shipping (Control and Management of Ships' Ballast Water and Sediments) Regulations 2022 and MSN 1908 is preferred. This option will ensure the UK fulfils its obligations and will ensure industry are able to access the correct information. It will create a level playing field and avoid detention and delays for UK ships abroad. To effect the changes made to the BWM Convention regarding the use of electronic record books, amendments will be made to the relevant statutory instrument in UK law. The amendments to the BWM Convention change the legal text of the convention and therefore will require amendments to regulation 2 and 10 of the Merchant Shipping (Control and Management of Ships' Ballast Water and Sediments) Regulations 2022. **The regulatory option is preferred** because only regulation will ensure that the UK is compliant with its international obligations under the BWM Convention.

2. **Please provide consideration of any relevant past evaluation (including PIRs)**

The Merchant Shipping (Control and Management of Ships' Ballast Water and Sediments) Regulations came into force in 2022 and as such have not been subject to a post implementation review yet. A PIR is due for the 2022 regulations in 2027.

3. **Please provide an assessment (or estimate) of direct business impacts (EANDCB) justifying the application of de minimis**

The equivalent annual net direct cost to business (EANDCB) for this policy is £0.04m in 2024 prices and in 2024 present value, in the central scenario, well within the +/- £10m EANDCB de minimis assessment (DMA) criteria. Even in the high scenario (worst-case scenario), the EANDCB is £0.09m, still below the £10 million boundary. The measure does not have contentious or novel elements, significant wider social, environmental, financial or economic impacts, distributional impacts, large gross impacts, or disproportionate impacts on small, micro and medium businesses.

4. **Please provide a short qualitative summary of the wider impacts on the new regulatory scorecard**

There are costs anticipated to the Maritime and Coastguard Agency (MCA), as additional MCA Surveyor training/familiarisation with the amendment to the regulations will be required.

There will be impact to the public sector as there may be a non-monetised benefit of protection of the reputation of the UK flag and protection of the environment.

All other impacts will be direct costs to business. All ships to which the Regulations will apply will be required to use the new format record book, which will need to be purchased. Ships using an electronic record book will need to ensure that it meets the new requirements and from October 2025 that it's an approved system. Manufacturers of electronic record book systems will need to apply for an approval in the same way they do under the International Convention for the Prevention of Pollution from Ships (MARPOL).

As the BWM Convention is designed to protect the environment these changes will contribute to the protection of the environment. However, the exact level of contribution of the regulations to protection of the marine environment cannot be estimated and hence not monetised.

De-Minimis Options assessment

Title:	Amendments to The Merchant Shipping (Control and Management of Ships' Ballast Water and Sediments) Regulations 2022 and MSN 1908
	Secondary

Type of measure:

Department or agency:	Maritime and Coastguard Agency
DMA number:	**DfTDMA371o**
RPC Register Reference:	…
Contact for enquiries:	environment@mcga.gov.uk
Date:	12/02/2025

1. Summary of proposal

Amendments to the BWM Convention were made at the International Maritime Organisation's (IMO) 80th Marine Environment Protection Committee (MEPC). These amendments bring the form of the record book and use of electronic record books in line with other record books such as those used for the International Convention for the Prevention of Pollution from Ships (MARPOL). The amendments affect both the regulations and MSN 1908.

To update the form of the record book it is proposed that schedule 1 of MSN 1908 is replaced and the text in section 5 is updated. These changes enter into force internationally on 1 February 2025.

To enact the changes to the text of the BWM convention regarding electronic record books, a change to the Regulations is required. Minor amendments to regulation 2 (interpretation) and 10 (ballast water record book) will be necessary and these changes will enter into force internationally on 1 October 2025. Although these changes are minor it will bring the use of electronic record books in line with other conventions such as MARPOL by requiring the administration to approve electronic record books or systems. Ships will therefore be required to use an approved system and manufacturers of these systems will need to apply for approval. These will be familiar processes as it is already done under other conventions.

Failure to update the MSN will cause confusion within industry and will not fulfil the UK's obligations under the Ballast Water Management (BWM) Convention. Industry will need to change the record book format they are using which will involve a cost and one-off training for relevant crew.

Failure to update the regulations will mean the UK's legislation will be out of date and will not fulfil our obligations as a Party to the BWM Convention.

The intervention will address the market failures arising from information failure. Updating UK legislation and the MSN will ensure that operators have adequate and up-to-date information on the latest international guidance on ballast water management and record keeping, thereby solving the potential information failure. Changes will have a limited impact, with amendments minor in cost and burden to industry.

Whilst amending the Regulations an amendment will also be made to clarify the application of the BWM Convention for ships exclusively trading between the IoM and the UK, under Article 3.2(b). This is to provide legal clarity and has no impact on industry.

2. Strategic case for proposed regulation

The economic rationale for intervention is to address market failure resulting from potential information failure. The United Kingdom is a signatory to the BWM Convention and plays a leading role in the International Maritime Organisation (IMO). As the IMO has adopted amendments to the International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM), the United Kingdom will fail to meet its commitment to the international convention if the necessary steps are not taken to effect the changes in UK law. This could lead to a lack of clarity on the applicable requirements for UK-flagged vessels, resulting in information failure. In addition, there will be regulatory failure arising from the UK’s inability to enforce the international requirements for vessels calling at UK ports as well as UK-flagged vessels if the international measures are not implemented in UK law. As failure to update the MSN will cause confusion within industry, the update is required to avoid this outcome and to ensure that the UK continues to fulfil its obligations under the BWM Convention.

Without updated guidance, some operators may well continue to follow insufficient guidance, resulting in improper ballast water management, as well as record keeping and reporting. The intervention will address the market and information failures by ensuring that operators are accurately and adequately informed with the latest guidance, solving market failure resulting from such information failure.

While the intervention is primarily to address the potential information failure, it is straightforward that the BWM record keeping requirements will incentivise proper ballast water management thereby enhancing environmental protection. In addition, no Government intervention could result in reputational damage to the UK flag and the UK’s status on the IMO’s ‘whitelist’ as the UK will be deemed to renege on its international obligations. Future UK flagged vessels could potentially be subject to detentions by other port states due to non-compliance with international regulations. Government intervention is therefore necessary to safeguard the reputation of the United Kingdom, mitigate the market failures and prevent information and regulatory failures from arising.

Changes will have a limited impact, with amendments minor in cost and burden to industry. The Merchant Shipping (Control and Management of Ships’ Ballast Water and Sediments) Regulations 2022 and MSN 1908 came into force in 2022 and as such have not been subject to a post implementation review yet.

3. SMART objectives for intervention

The aim of the amendments to the Merchant Shipping (Control and Management of Ships' Ballast Water and Sediments) Regulations 2022 and MSN 1908 is to fully implement changes to the BWM Convention that have been made at the international level. In specific terms, the following objectives which are specific, measurable, achievable, relevant and timely (SMART) will be met:

1) To ensure that the UK meets its international obligations under the BWM Convention in a timely manner and that it is not out of step or non-compliant with international standards to prevent pollution.

   This will be measured by monitoring how the UK achieves compliance with its international obligations under the BWM Convention and the associated pollution prevention requirements in the periods before and after the introduction of the chosen policy, and whether the UK and other member states have implemented amendments in a similar manner and within comparable timescales.

   'Timely' indicates as close to the international coming into force date as is reasonable possible.

2) To provide stakeholders with access to the most relevant and accurate information on requirements for ballast water management and record keeping, ensuring that the risk of information failure is addressed.

   This objective will be achieved by continuously monitoring the international regulatory environment and promptly updating UK legislation following any change international regulations to ensure that UK legislation and guidance remains up to date.

3) Providing a level playing field for UK ships and businesses. UK ships are subject to port state control inspections outside of the UK and if the UK does not implement amendments to international instruments UK ships could find themselves subject to sanctions in foreign ports.

   This will be measured by monitoring the frequency of sanctions to UK ships in foreign ports related to compliance with the BWM Convention.

   This policy aims align with two of the Maritime and Coastguard Agency's objectives, in becoming the world's best performing flag state and being a modern, progressive regulator.

4. Description of proposed intervention options and explanation of the logical change process whereby this achieves SMART objectives

This section presents the logical change process by which the options considered achieve the SMART objectives. The focus here is on the shortlisted option, which is assessed to meet the objectives and details the process by which this happens. Other options considered at the longlist stage which have been discounted due to their inability to meet the objectives, have been assessed and the reasons for discounting them is explained in the next section.

The only option considered in the shortlist is a regulatory approach, entailing amendments to the Merchant Shipping (Control and Management of Ships' Ballast Water and Sediments) Regulations 2022 and MSN 1908. To effect the changes made to the BWM Convention regarding the use of electronic record books, amendments will be made to the relevant statutory instrument in UK law. The amendments to the BWM Convention change the legal text of the convention and therefore will require amendments to regulation 2 and 10 of the Merchant Shipping (Control and Management of Ships' Ballast Water and Sediments) Regulations 2022.

Regarding amendments to the form of the record book, the changes made at the international level represent a legal change to the form and content of the record book in schedule 1 of MSN 1908, necessitating changes to this section of the MSN. **The regulatory option is preferred** because only regulation will ensure that the UK is compliant with its international obligations under the BWM Convention. Non-regulatory form of intervention or a do-nothing approach may lead to non-compliance thereby undermining the UK's commitment to the international conventions it has signed up to, putting the UK flag into disrepute, leading to port state control detentions outside of the UK, and creating information and regulatory failures.

The regulatory approach considered here will ensure the UK fulfils its obligations and will ensure industry are able to access the correct information. It will create a level playing field and avoid detention and delays for UK ships abroad. The amendments are not considered to have any disproportionate impact on small and micro businesses because no further cost beyond familiarisation is expected on businesses.

5. Summary of long-list and alternatives

At the longlist stage, a set of options have been considered. As noted above, the policy intervention derives from the International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM Convention) to which the UK is a signatory. Therefore, more ambitious and less ambitious options have little value and application in this context. Apart from the preferred option explained above, two options were considered at the longlist assessment, but both have been discounted and the reasons for discounting them are described below.

Option 0 - "Do nothing". This will cause confusion and double standards within industry as some ships adopt the new record book whilst others don't, this will create difficulties for UK ships in foreign ports during Port State Control inspections and may lead to detentions or delays. It does not create a level playing field and it will not fulfil the UK's obligations as a Party to the Convention. Whilst the changes made at the international level are minor amendments failing to do so will mean the UK's legislation is out of date and will not fulfil our obligations as a Party to the Convention. This option does not meet any of the objectives outlined above. If the UK adopted this approach, there will be no consistent regulatory framework in line with the updated BWM Convention enforcing requirements for UK flagged vessels, no unified source of information on requirements and guidance for UK vessels, and no mechanism in place to keep UK regulations in line with international requirements. Therefore, do nothing has been discounted and will not be considered any further.

Option 1 – Publish MIN/advice to industry (Non-regulatory): The amendments to the form of the record book cannot be achieved via advice to industry and therefore the impact is much the same as “do nothing” above. Similarly, amendments to A-1 and B-2 of the BWM Convention cannot be achieved via advice to industry and therefore the impact is much the same as “do nothing” above.

6. Description of shortlisted policy options carried forward

Option 2 which involves amendments to the Merchant Shipping (Control and Management of Ships’ Ballast Water and Sediments) Regulations 2022 and MSN 1908 is the preferred option because it achieves all the policy objectives, maintains the UK’s reputation, ensures full compliance with international obligations and reduces the likelihood of sanctions on UK flagged ships.

This is the only option costed in the analysis below, as the costs would be the same in both Option 1 and Option 2, however Option 1 would lead to lower benefits overall due to lower levels of take up.

Option 2 is the lowest risk option, with minimal risk of uncertainty or misinterpretation compared to the non-mandatory guidance in Option 1.

The regulatory changes apply to all businesses bound by the BWM Convention. Nevertheless, the amendments are not considered to have any disproportionate impact on small and micro businesses because no further cost beyond familiarisation is expected on businesses.

7. Regulatory scorecard for preferred option

The direct impacts on business from the 2026 Regulations is assessed to be well below the £10m De Minimis threshold. Indeed, the estimated direct costs to business for the 10-year appraisal period is below £0.1m in best and worst-case scenarios. In view of this, a light touch quantitative analysis was conducted, and the summary findings are presented below.

The costs and benefits of the measures were assessed in 2024 prices (the selected price year) and 2026 present value (the base year cost and benefits begin to flow). This is then adjusted by the Impact Assessment calculator to 2024 present value. A 3.5% discount rate was applied, in line with Green Book guidance[1].

[1] A6. Discounting. https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government/the-green-book-2020

Part A: Overall and stakeholder impacts

(1) Overall impacts on total welfare		**Directional rating** **Note: Below are examples only**
Description of overall welfare impact	The new regulations have no significant impact on the public sector nor businesses, charities or voluntary bodies. However, businesses are expected to benefit from an easier process of recording operations, as *there will be* clearer guidance on how to record operations. The public sector will also benefit from protection of the reputation of the UK flag and protection of the maritime environment. This measure is not expected to have any negative impacts on the safety of vessels, personnel or natural environment. The main costs of the regulations will be familiarisation costs to Business and MCA surveyor training costs, which is a public sector cost, to account for MCA surveyor familiarisation costs. No impact on households have been anticipated as part of this policy.	**Positive** **Based on all impacts (incl. non-monetised)**
Monetised impacts	Total net present social value (NPSV) is estimated at -£0.34m in the central scenario, -£0.17m in the low scenario and -£0.83m in the high scenario (all estimates are in 2024 prices and 2024 present value). There are costs anticipated to the Maritime and Coastguard Agency (MCA), as additional MCA Surveyor training/familiarisation with the amendment to the regulations will be required. All other impacts will be direct costs to business. All ships to which the Regulations will apply will be required to use the new format record book, which will need to be purchased. Ships using an electronic record book will need to ensure that it meets the new requirements and from October 2025 that it's an approved system.	**Negative** **Based on likely £NPSV**
Non-monetised impacts	There will be impact to the public sector as there may be a non-monetised benefit of protection of the reputation of the UK flag and protection of the environment.	**Neutral**
Any significant or adverse distributional impacts?	No adverse or distributional impacts are expected because of this measure.	**Neutral**

(2) Expected impacts on businesses

Description of overall business impact	The new regulations have no significant impact on the public sector nor businesses, charities or voluntary bodies. However, businesses are expected to benefit from an easier process of recording operations, as there will be clearer guidance on how to record operations.	**Neutral**
Monetised impacts	The business net present value is estimated at -£0.30m in the central scenario, ranging from -£0.14m to -£0.75m in the low and high scenarios. This results in an equivalent annual net direct cost to business of £0.035m in the central scenario. The costs to businesses include costs of familiarisation for Masters and officers of the ships and within the safety management companies to familiarise with the changes in the regulations and read the accompanying guidance	**Negative** **Based on likely business £NPV**
Non-monetised impacts	There will be some unmonetised benefits to business namely that it will be easier to record operations, there will be clearer guidance on how to record operations, which also means less queries from industry, recognised organisations and issues at port state control. Indeed, maintaining the UK's low risk status means minimising inspections of UK-flagged ships in foreign ports.	**Positive**
Any significant or adverse distributional impacts?	No adverse or distributional impacts are expected because of this measure.	**Neutral**

(3) Expected impacts on households		
Description of overall business impact	The policy regulation is not expected to have any direct impact on households and individuals.	**Neutral**
Monetised impacts	No monetisable impacts are expected, hence the household NPV and EANDCH are expected to be £0. No pass-through costs are anticipated.	**Neutral** **Based on likely household £NPV**
Non-monetised impacts	No non-monetised costs or benefits to households have been identified	**Neutral**
Any significant or adverse distributional impacts?	As no impacts have been identified, no adverse distributional impacts are expected.	**Neutral**

Part B: Impacts on wider government priorities

Category	Description of impact	Directional rating
Business environment: Does the measure impact on the ease of doing business in the UK?	The measure will make the UK relatively more attractive as a Maritime state which can contribute to maintaining its reputation as an appealing place for foreign investment. The measure has no significant impact on market concentration, competition for business, or barriers to entry.	**Supports**
International Considerations: Does the measure support international trade and investment?	This measure is likely to support trade, as pollution and disruption from related incidents at UK ports and maritime areas are a hinderance to trade operations.	**Supports**
Natural capital and Decarbonisation: Does the measure support commitments to improve the environment and decarbonise?	Some positive impact on commitment for a cleaner coastal areas and maritime environment.	**Supports**

8. Monitoring and evaluation of preferred option

Given this measure is well below the de minimis threshold for economic impact and is not considered a controversial measure it is proportionate that a PIR clause is not included as part of this assessment and measure. However a PIR is due to be conducted on the 2022 Regulations by July 2027 and therefore these amendments will be included in the review. This will assess whether the policy objectives have been met and consider industry views on the regulations.

Policy success would be if the policy aims outlined in section 3 are met. As noted, the post implementation review of the 2022 regulations will include assessment of the performance of the amending measures. Also, constant engagement with industry will provide insights on challenges, concerns and suggestions for review of the regulations.

9. Minimising administrative and compliance costs for preferred option

There are costs anticipated to the Maritime and Coastguard Agency, as MCA Surveyor training/familiarisation with the amendment to the regulations is required.

Existing MCA surveyors will need informing of amendments; however, it is assumed that these changes represent an extremely small proportion of a new surveyor training and so the cost of training new MCA surveyors on these changes to the regulation are absorbed and not costed here.

The cost of retraining MCA surveyors is not a cost to businesses as this will be paid by the MCA; therefore, it will not be included in the EANDCB.

Furthermore, this regulation minimises administrative burdens by aligning the UK flag with international requirements.

Declaration

Department: Maritime and Coastguard Agency

Contact details for enquiries:

environment@mcga.gov.uk

Director responsible:

I have read the Options Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Fraser Heasley

Signed:

Date: 18 February 2025

Summary: Analysis and evidence

For Options Assessment, it is not a requirement to complete all the below, but please complete as much as you can where possible.

Price base year:

PV base year:

This table may be reformatted provided the side-by-side comparison of options is retained	1. Business as usual (baseline)	2. Preferred way forward - Option 2 (Regulatory intervention)	3. Less ambitious preferred way forward - Option 1 – Publish MIN/advice to industry (Non-regulatory)
Net present social value (with brief description, including ranges, of individual costs and benefits)	£0, as this is the counterfactual against which other options are assessed	The net present social value is estimated at -£343.2k[2] in the central scenario, with a range between -£166.6k to -£826.3k. No benefits were monetised for the regulations. Thus, the NPSV reflects the total cost of the 2026 regulations to UK society.	This option has not been costed but it is considered that the NPSV will be comparable to the preferred option.
Public sector financial costs (with brief description, including ranges)	£0, as this is the counterfactual against which other options are assessed	Public sector costs reported here reflects the cost of familiarising with the regulations for MCA Surveyors. This does not include the administrative and legal costs associated with transposition of the international regulations, impact assessments and all other human resources needed to enable implementation of the option. The public sector financial cost is estimated at £43.4k in the central scenario,	As with the preferred option, there will be public sector costs related to familiarisation with the guidance material. As it is not clear the number of pages this would entail, the cost could be lower or higher than that estimated for the regulatory intervention.

[2] All NPSV estimates are in 2024 prices and 2024 present value.

		ranging between £27.0k to £76.3k (in 2024 prices) in the low and high scenarios.	
Significant un-quantified benefits and costs (description, with scale where possible)	£0, as this is the counterfactual against which other options are assessed	Implementing the international requirement in UK law means that the UK will continue to meet its international IMO obligations. It also provides clarity to industry regarding operational requirements for ballast water management, thereby solving potential information failures.	The guidance under this option would have solved potential information failure but would fail to ensure that UK-flagged vessels comply with the international regulations. Hence, the UK would not meet its international obligations under this option.
Key risks (and risk costs, and optimism bias, where relevant)	This option entails significant risks of reputational damage to the HM Government and the United Kingdom for failing to meet its obligations as a signatory to the BWM Convention.	The risks associated with this option are low. Implementation of the international requirements and new Ambulatory Reference provision ensures that the regulations will stay up to date with international requirements.	This option entails significant risks of reputational damage to the HM Government and the United Kingdom for failing to meet its obligations as a signatory to applicable international conventions.
Results of sensitivity analysis	None	Sensitivity testing has been conducted. The EANDCB is £0.0m in the low and central scenarios, and approximately £0.1 in the high scenario. It is highly unlikely that the +/-£10m EANDCB threshold for De Minimis Assessment will be reached	No sensitivity testing has been done for this option as it has not been costed.