De Minimis Options Assessment

Dept:	Maritime and Coastguard Agency
Name of measure:	The Merchant Shipping and Fishing Vessel (Provision and Use of Work Equipment) Regulations 2025
RP Register ref:	*Not applicable*

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

The Merchant Shipping and Fishing Vessel (Provision and Use of Work Equipment) Regulations 2026 will amend the 2006 Regulations to bring them up to date by removing references to EU standards and replacing them with the relevant essential requirements. As such, they are not creating any new provisions and are simply being restated as UK domestic legislation. Without these changes, industry would be required to continue referencing EU standards and the regulations would therefore be incongruous with the UK's post-EU status. Other options have been considered such as Publishing a Marine Guidance Note (MGN) or other advice to industry (non-regulatory) and drafting new regulations to revoke the current 2006 Regulations, however, they would not produce the best outcomes as they would either miss the objective, be disproportionate or not enforce the standards to the level the UK currently has.

It is intended to bring these amendments into force during 2026.

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

There has not been a Post Implementation Review (PIR) of the current regulations as there is not a PIR clause included in the 2006 SI.

- **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) is anticipated to be -£0.0m in the central scenario, which is within the EANDCB threshold for a de minimis assessment (DMA) of +/-£10m. The estimate for the high scenario is -£0.0m, which shows that the policy is unlikely to exceed the de minimis threshold. The policy is not controversial and is not likely to have disproportionate impacts on specific groups, including small or micro businesses. This regulation therefore meets the criteria for a DMA.

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

The amended regulations will have no significant impact on businesses. The amendments are expected to have a continuing net positive effect on the safety of vessels, crews, and the state of the natural environment.

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Title:	The Merchant Shipping and Fishing Vessels (Provision and Use of Work Equipment) Regulations 2026
Type of measure:	Secondary Statutory Instrument
Department or agency:	Department for Transport; Maritime and Coastguard Agency
BRU sign-off number:	**DfTDMA365o**
RPC reference number:	NA
Contact for enquiries:	seafarersafety@mcga.gov.uk
Date:	23/01/2025

1. Summary of proposal

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The original policy proposal was to amend the Merchant Shipping and Fishing Vessel (Provision and Use of Work Equipment) Regulations 2006 ("the 2006 Regulations") by replacing references to the EU standards with UK equivalents (UKCA). However, liaison with the Health and Safety Executive (HSE), which oversees the equivalent land based standards, indicate that they are going over to using the term "relevant standards" instead of specifying named UK standards. The direction of travel is now therefore to use this term for consistency across the spectrum of UK legislation.

The 2006 Regulations implemented health and safety requirements with regards to the provision and use of work equipment on merchant ships and fishing vessels fulfilling EU Council Directive 89/655/EEC as amended by EU Council Directive 95/63/EC.

As the UK has now left the EU, the 2006 Regulations were identified as Retained EU Law, now known as assimilated EU law however, REUL powers were not required.

There are no risks associated with this intervention and as the obligations on industry are remaining the same, the costs will be negligible.

2. Strategic case for proposed regulation

The 2006 Regulations were made using the powers conferred by section 2(2) of the European Communities Act 1972 ("the 1972 Act") and by sections 85(1) (a) and (b), (3) and (7) and 86(1) of the Merchant Shipping Act 1995 ("the 1995 Act"). The 1972 Act has been repealed following the UK's exit from the European Union (EU) and the Maritime and Coastguard Agency (MCA) now requires the 2006 Regulations to be retained in UK law. The 2006 Regulations were identified as part of REUL, but REUL Act powers were not required.

As the 2006 Regulations refer to EU standards and instruments, and as the UK has left the EU, it is being proposed that any amending or new regulations will cite the current relevant UK essential requirements for work equipment rather than EU standards, although it will still be permissible for shipowners to use equivalent EU standards, including for equipment they already use. There will therefore not be any need for any shipowner to replace existing equipment they have in use.

The 2006 Regulations were brought into force as most of the injuries to crew involving work equipment occur as a result of persons being struck by or caught in moving parts of such equipment. This is often due to incorrect practices, inadequate training or to errors of judgement. Other types of serious accident are caused by the failure of work equipment, or missing safety guards. Accidents can be avoided through careful design and selection of work equipment.

These Regulations aim to prevent such accidents occurring through mechanical failure, corrosion, fatigue, inappropriate repairs or modifications and poor maintenance as all of these can contribute to reduced safety margins. They mirror the corresponding regulations for land-based workers to avoid disparity between those working on ships and land-based workers. They are of particular importance on or near the water margin for example in dock or port areas where land-based dock/port workers such as stevedores could be working on board a ship alongside members of the crew.

By amending/drafting new regulations the UK can continue to uphold the high health and safety standards which are currently imposed on those the regulations apply to, ensuring that the risks are reduced as much as practicably possible.

As it stands there are no new substantive obligations, and the proposed amendments should have no impact on those to which the Regulations already apply.

The economic rationale for the new regulations is based on a government failure due to outdated legislation, there is also persistence of a market failure with respect to safety. Regarding safety, vessel owners do not bare all the costs from injuries to crews (i.e. grievance, loss of production and consumption). Indeed, a larger share of the costs are borne by society, for which it is not compensated, thus there exists an incentive for vessel owners to underinvest in safety if the health and safety standards of the regulations are not upheld. There also exists a government failure due to outdated legislation as the 2006 regulations reference EU standards rather than the current relevant essential UK product safety requirements, and as such need to be amended appropriately. This regulation intends to prevent accidents occurring though mechanical failure, corrosion, fatigue, inappropriate repairs or modifications and poor maintenance. A market solution would not

solve these market failures as it could not correct stakeholder incentives and it would also not address the outdated guidance, hence government intervention is justified.

The intervention would address the market failure by mitigating the effects of the negative externality and internalising the social costs. By implementing this intervention, current legislation would be brought up to date to be in line with the current relevant essential UK product safety requirements and the reputation of the UK flag protected.

Without regulations, the safety of crew would be compromised, and without updating the 2006 Regulations, there is incongruence with the UK's post-EU status. If guidance only was provided, the regulations still be incongruent with the UK's post-EU status. Therefore, there is no reasonable alternative other than to amend or replace the 2006 Regulations to reflect the position the UK is in now it has left the EU.

There has not been a Post Implementation Review (PIR) of the 2006 Regulations as the instrument does not have a PIR clause. It is not intended that a PIR clause is included going forward.

3. SMART objectives for intervention

The main policy objective of the amending or new regulations is the continuation of health and safety standards for those working on ships by referencing the relevant essential UK product safety requirements as opposed to the existing EU standards. The intended outcomes are that crew can continue to operate under the current high standards that the regulations already afford.

The objective is specific as it directly relates to the continuation of health and safety at sea and on ships. Additionally, as the obligations of the regulations remain the same, the objective is measurable in the sense that it is already in force and there will be no change in impact brought about by the new regulations.

The objective is achievable through a regulatory approach by amending the 2006 Regulations to remove any references to the EU standards and legislation.

The proposed amendments are realistic as they are already in force under the EU derived legislation, and the intention is to replace EU standards with the relevant essential UK product safety requirements which largely mirror one another.

Seamless transition would be an indicator of success which will be done in a timely manner as it is a continuation of the existing obligations. Without the required legislation, the regulations will not reflect the move to the relevant essential requirements.

The amendments do not change any of the obligations contained in the 2006 Regulations (as amended).

4. Summary of long-list and alternatives

No further options have been considered. The proposed changes are to simply reflect the UK leaving the EU and removing any outdated references to EU standards and legislation.

The only options are set out in the short list, including a non-regulatory option, but in this case it is not viewed to be sufficient in upholding the current standards.

While the regulations can apply to small or micro businesses if they fall into scope, there cannot be compromise on safety standards just because business is small. Seafarers should be entitled to high safety standards regardless of size of business. Therefore, an exemption for small and micro business is not appropriate for these regulations as it would compromise seafarers' safety standards for the businesses which are exempt.

The 2006 Regulations apply to UK flagged ships wherever they may be in the world. Some provisions also apply to non-UK ships in UK waters. Indeed, these regulations have been in place since 2006 and this intervention makes no operational impact on the regulations. Therefore, it is assumed that all vessels impacted are already in compliance and will incur zero costs or benefits as a result of these changes.

5. Description of shortlisted policy options carried forward

Option 3 would have the same effect as Option 2 (the preferred option) but is considered disproportionate as it would involve re-writing a lot of the 2006 Regulations (as amended) which do not need to be revised.

6. Description of preferred option and explanation of the logical change process whereby this achieves SMART objectives

Option 0- Do nothing (Business as usual) - The current regulations do not reflect the UK's post EU-Exit status.

Option 1- Publish Marine Guidance Note (MGN) or other advice to industry (non-regulatory)- This would involve issuing guidance in relation to the relevant UK essential requirements and conformity markings not EU standards. This is an unsuitable option as it does not achieve aim of amending the regulations to bring them in line with the position following the UK's exit from the EU.

Option 2- Amend the current 2006 Regulations to replace any reference to EU standards with reference to the relevant essential requirements. **This is the preferred Option.**

Option 3- Draft new regulations which will revoke the current 2006 Regulations. The new regulations would make reference to the relevant UK essential requirements and conformity markings. This would require re-making other aspects of the SI and is not considered necessary in this case.

The Objectives of this SI are specific, to ensure a UK-facing continuation of a successful safety regime, measurable as they have no impact, achievable as the standards being referred to are a direct equivalent of those already in place, relevant to the safety of the shipping industry, safety of seafarers and the UK's reputation and timely as the transition should be seamless as the obligations on industry are remaining the same.

7. Regulatory scorecard for preferred option

Please provide quantitative estimates and qualitative descriptions of impacts under each heading in the following sections. The **directional ratings column should be based on the description of impact and the sign of the suggested indicator** (NPV, NPSV, all impacts): **Green** – positive impact, **red** – negative impact, **amber** – neutral or negligible impact, **blue** – uncertain impact.

Part A: Overall and stakeholder impacts

(1) Overall impacts on total welfare		**Directional rating** **Note: Below are examples only**
Description of overall expected impact	The amended regulations will have no significant impact on the public sector nor businesses, charities or voluntary bodies. Those who do fall under scope of the regulations should already be meeting the requirements therefore; they are not expected to incur any additional costs. The amendments are expected to have a continuing positive effect on the safety of vessels for those who work on them, and they are not expected to have any negative impacts on the safety of the vessel, personnel or natural environment. The only costs on the MCA may be negligible. No impact on households have been anticipated as part of this policy.	**Neutral** **Based on all impacts (incl. non-monetised)**
Monetised impacts	There are no monetised impacts.	**Neutral** **Based on likely £NPSV**
Non-monetised impacts	The non-monetised benefits of this policy would be the continuation of the high standards of safety afforded to those working on ships, indeed ships would be orientated to the relevant essential UK product safety requirements rather than EU standards, thus fulfilling the desired outcome.	**Positive**
Any significant or adverse distributional impacts?	No impact.	**Neutral**

(2) Expected impacts on businesses		
Description of overall business impact	The amendments to the regulation will not have any significant impacts on UK business as the businesses impacted are already required to comply with the necessary standard of safety and the obligations are not changing.	**Neutral**
Monetised impacts	As there are no costs to business anticipated, the business net present value is estimated at £0m in the central, low and high scenarios. There are no significant impacts on households.	**Neutral** **Based on likely business £NPV**
Non-monetised impacts	These regulations have been in place since 2006 and this intervention makes no operational impact on the regulations. Therefore, it is assumed that all vessels impacted are already in compliance and will incur zero costs or benefits as a result of these changes.	**Neutral**
Any significant or adverse distributional impacts?	No impact.	**Neutral**

(3) Expected impacts on households		
Description of overall business impact	No expected monetary impact on households (or individuals if more appropriate) directly impacted by the regulation.	**Neutral**
Monetised impacts	As no impacts are anticipated, 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	As no impacts have been identified, no adverse distributional impacts are expected	**Neutral**

adverse distributional impacts?		

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 not have any significant impacts on UK business environment and foreign direct investment as the businesses impacted are already required to comply with the necessary standard of safety and the obligations are not changing. The measure has no significant impact on market concentration, competition for business, or barriers to entry.	**Neutral**
International Considerations: **Does the measure support international trade and investment?**	There is unlikely to be any significant impacts on trade and investment due to this measure as the obligations on industry are remaining the same and the costs will be negligible.	**Neutral**
Natural capital and Decarbonisation: **Does the measure support commitments to improve the environment and decarbonise?**	No impact	**Neutral**
Growth Summary: **Does the measure support the Government's commitment to economic growth?**	This measure is not specifically designed to direct generate growth in the UK. However, by bringing them up to date post-Brexit this measure will continue to enforce high levels of safety standards intended to keep seafarers safe. These impacts will indirectly support growth.	**Neutral**

8. Monitoring and evaluation of preferred option

There is no post implementation review (PIR) proposed, the current regulations do not include a PIR clause. Proportional monitoring of the regulations will be conducted by the policy lead less formally. The policy lead will note any instances where the regulations are not working in practice and take any necessary action. The proposed amendments do not change the current standards they are required to meet, only the reference to the UK equivalent. Given that standards are not changing, this is a proportionate way to measure the policy outcomes.

9. Minimising administrative and compliance costs for preferred option

We estimate there would be no costs for complying with the amendments to the regulations as the obligations are already in place under the current regulations, and the existing standards are accepted as equivalents to the (“new”) UK ones, although the UK ones have always been acceptable. Any familiarisation costs would be negligible. It is therefore anticipated that there will be no additional direct or indirect costs associated with the changes and therefore no significant burden on business and wider society. Additionally, there will be no adverse impact on the safety of personnel or vessels as a result of this policy.

Declaration

Department:

Department for Transport: Maritime and Coastguard Agency

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Minister responsible:

Keir Mather MP, Parliamentary Under-Secretary of State for Aviation, Maritime and Logistics at the Department for Transport

I have read ***De Minimis 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.

Signed: Sign here

Date: Date

Summary: Analysis and evidence

For **Options Assessment**, please finalise these sections including the full evidence base.

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. Do-minimum Option**	**3. Preferred way forward (if not do-minimum)**	**4. More ambitious preferred way forward**	**5. Less ambitious preferred way forward**
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.	…	There have not been any monetised costs expected from this measure	…	…
Public sector financial costs (with brief description, including ranges)	£0, as this is the counterfactual against which other options are assessed.	…	There have not been any monetised costs expected from this measure.	…	…
Significant un-quantified benefits and costs (description, with scale where possible)	£0, as this is the counterfactual against which other options are assessed.	…	These regulations have been in place since 2006 and this intervention makes no operational impact on the regulations.	…	…

			Therefore, it is assumed that all vessels impacted are already in compliance and will incur zero costs or benefits as a result of these changes.		
Key risks (and risk costs, and optimism bias, where relevant)	If REUL powers were to be used, doing nothing is not a realistic option as after the expiry date of the REUL Act the powers to amend these regulations will be unavailable. This is an unsuitable option as it does not achieve the aim of amending the regulations to bring them in line with the MCA's position following the UK's exit from the EU.	…	There are no risks associated with this intervention and as the obligations on industry are remaining the same, the costs will be negligible.	…	…
Results of sensitivity analysis	Not applicable.	…	There have been no monetised costs expected for this measure thus the EANDCB is	…	…

			estimated to be 0 in the low, central and High scenario's hence very unlikely to exceed the +/- £10m EANDCB threshold.		