



भारत सरकार / GOVERNMENT OF INDIA
पत्तन, पोत परिवहन और जलमार्ग मंत्रालय
MINISTRY OF PORTS, SHIPPING AND WATERWAYS

नौवहन महानिदेशालय, मुंबई
DIRECTORATE GENERAL OF SHIPPING, MUMBAI

F. No. 15-12011/1/2020-MSL-DGS (C.No. 1889)

Dated: 16.06.26

To
All Stakeholders Concerned
(Through DGS website)

Public Notice

Sub.: Public Consultation on Draft Rules pursuant to Jan Vishwas (Amendment of Provisions) Act, 2026 which has amended the Seamen's Provident Fund Act, 1966; the Recycling of Ships Act, 2019 and the MS Act, 2025.

In accordance with the Government of India's strategic mandate to enhance the 'Ease of Doing Business' and decriminalize minor contravention, the Jan Vishwas (Amendment of Provisions) Act, 2026, has been passed by the Parliament. The Act is placed on the website of DGS under the heading 'Mercantile Marine Law'. 04 Acts administered by the DGS (i.e. Seamen's Provident Fund Act, 1966; the Recycling of Ships Act, 2019; the Coastal Shipping Act, 2025 and the MS Act, 2025) has been amended by the said Jan Vishwas Act. Out of these 04 Acts, there is a requirement to frame rules under 03 Acts.

Notice is hereby given for public information and consultation on the following draft Rules, the texts of which are annexed herewith as below

- (i) **Seamen's Provident Fund (Adjudication of Penalties and Appeal) Rules, 2026** – framed in exercise of the powers conferred by newly amended /added sub-section (1) and clauses (a) and (b) of sub-section (2) of section 24A of the Seamen's Provident Fund Act, 1966 (4 of 1966)-Annexure-III
- (ii) **Recycling of Ships (Compounding of Offences, Adjudication of Penalties and Appeal) Rules, 2026** – framed in exercise of the powers conferred by newly added/amended sub-section (1) and clauses (oa), (ob), (oc), and (od) of sub-section (2) of section 42 of the Recycling of Ships Act, 2019 (Act No. 49 of 2019)-Annexure-II,
- (iii) **Merchant Shipping (Appeal against Penalties and Miscellaneous Matters) Amendment Rules, 2026** – framed in exercise of the powers conferred by newly added/amended clause (ea) of sub-section (2) of section 319 of the Merchant Shipping Act, 2025 (24 of 2025)- Annexure-I.

All stakeholders are kindly requested to review the draft rules. The inputs, suggestions, or objections, if any, may be forwarded to this Directorate latest by 16.07.26 on below E-mail ID or by post:

amohd-dgs@nic.in

OR

To
Shri Ash Mohomad,
Deputy Director General of Shipping
9th Floor, beta Building, I-Think Techno Campus, Kanjurmarg (East),
Mumbai -400042


(Ash Mohomad)

Deputy Director General of Shipping (MSL)

Encl : As Above

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Annexure-I

DRAFT FOR PUBLIC CONSULTATIONS

[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

Government of India

MINISTRY OF PORTS, SHIPPING AND WATERWAYS

Notification

New Delhi, the, 2026

G.S.R. ___(E).— In exercise of the powers conferred by sub-section (1) and clauses (a) and (b) of sub-section (2) of section 24A of the Seamen's Provident Fund Act, 1966 (4 of 1966), the Central Government hereby makes the following rules, namely:—

Chapter I

Preliminary

1. Short title and commencement.- (1) These rules may be called the Seamen's Provident Fund (Adjudication of Penalties and Appeal) Rules, 2026.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions.- (1) In these rules, unless the context otherwise requires,—

(a) "Act" means the Seamen's Provident Fund Act, 1966 (4 of 1966);

(b) "adjudicating officer" means the Seamen's Provident Fund Commissioner appointed under sub-section (1) of section 16A of the Act;

(c) "appellant" means a person aggrieved by an order passed by the Adjudicating Officer under sub-section (1) of section 16A of the Act;

(d) "appellate authority" means the authority appointed under sub-section (2) of section 16A of the Act to hear appeals against orders of the Adjudicating Officer;

(e) "Form" means a Form appended to these rules.

(2) Words and expressions used herein and not defined, but defined in the Act, shall have the same meanings as assigned to them in the Act.

Chapter II

Holding of Inquiry and Imposition of Penalty by Adjudicating Officer

3. Filing of complaint.- (1) Any seaman, organisation of seamen or inspector appointed under sub-section (1) of section 15 of the Act, having knowledge of a contravention under the Act, may file a complaint before the adjudicating officer.

(2) Every complaint referred to in sub-section (1) shall be made in Form-I and may be submitted—

- (a) electronically;
- (b) by registered post or speed post; or
- (c) by hand.

4. Holding of inquiry.- (1) For the purpose of adjudication under section 16A of the Act, the adjudicating officer shall, within thirty days from the receipt of a complaint, issue a notice in Form-II to the person alleged to have committed the contravention requiring such person to show cause, within such period as may be specified in the notice, being not less than fifteen days from the date of service thereof, why proceedings should not be initiated against such person for contravention of the provisions of the Act.

(2) Upon consideration of the reply received under sub-rule (1), if any, the adjudicating officer may, if satisfied that it is necessary, issue a notice of hearing within fifteen days of receipt of reply, which may require appearance in person or through an authorised representative or through additional submissions necessary to adjudicate the matter.

(3) No order shall be passed by the adjudicating officer unless the parties have been given a reasonable opportunity of being heard.

(4) Where the person to whom a notice of hearing under sub-rule (2) has been served fails to appear or make submission, as the case may be, the adjudicating officer may proceed ex-parte after recording reasons in writing.

(5) Upon consideration of the material available on record, if the adjudicating officer is satisfied that the contravention has been committed, he may, by order in writing, impose such penalty as provided under the Act.

(6) Every order passed under sub-rule (5) shall specify—

- (a) the contravention committed;
- (b) the provisions of the Act violated;
- (c) the reasons for the findings;
- (d) the quantum of penalty imposed; and
- (e) the time within which the penalty is to be paid.

(7) A copy of the order shall be supplied free of cost to the parties concerned.

(8) The adjudicating officer shall endeavour to complete the proceedings within four months from the date of issuance of notice under sub-rule (1).

5. Service of notices and orders.- A notice or order under these rules shall be served by—

- (a) personal delivery;

- (b) electronic means;
- (c) registered post or speed post; or
- (d) affixing the notice at the last known place of residence or business of the person concerned, where service cannot be effected by the above methods.

6. Factors to be considered while determining quantum of penalty.- While determining the quantum of penalty, the adjudicating officer may have due regard to—

- (a) the amount of provident fund contribution involved;
- (b) the duration of the default;
- (c) the number of seamen affected;
- (d) loss or hardship caused to beneficiaries;
- (e) repetitive nature of the contravention;
- (f) disproportionate gain or unfair advantage derived from the contravention;
- (g) whether the contravention was deliberate, wilful or negligent;
- (h) corrective measures taken by the person concerned; and
- (i) any other relevant factor having a bearing on the interests of seamen.

7. Recovery and credit of penalty.- (1) Any penalty imposed under the Act shall be paid within the period specified in the order passed under sub-rule (5) of rule 4.

(2) The amount of penalty shall be remitted electronically or through such mode as may be specified in such order.

Chapter III

Appeal Against Order of Imposition of Penalty by Adjudicating Officer

8. Appeal against order of adjudicating officer.- (1) Any person aggrieved by an order passed by the adjudicating officer under sub-rule (5) of rule 4 may prefer an appeal before the appellate authority in Form-III.

(2) Every appeal under sub-rule (1) shall be filed within a period of thirty days from the date of receipt of the order appealed against:

Provided that the appellate authority may entertain an appeal filed after the expiry of the said period if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal within time.

(3) The appeal may be filed in person, through an authorised representative, or through an advocate duly authorised in this behalf, by registered post, speed post, or through electronic means.

(4) An appeal sent by post shall be deemed to have been filed on the date on which it is received in the office of the appellate authority.

(5) Upon scrutiny, where the appeal is found to be in order, it shall be admitted.

(6) Where any defect is noticed in the appeal, the appellate authority shall communicate such defect to the appellant and allow a period of fifteen days to rectify the same.

(7) Where the appellant fails to rectify the defects within the period specified in sub-rule (6), the appellate authority may, for reasons to be recorded in writing, refuse to admit the appeal and shall communicate such decision to the appellant.

(8) Upon admission of the appeal, the appellate authority shall serve a copy thereof upon the respondent.

(9) The respondent may file a reply within fifteen days from the date of receipt of notice of appeal.

(10) The appellate authority may call for the records relating to the proceedings from the adjudicating officer.

(11) The appellate authority shall afford the parties a reasonable opportunity of being heard before passing any order.

(12) The appellate authority shall endeavour to dispose of the appeal within thirty days from the date of admission thereof.

9. Orders of the appellate authority.- (1) Every order of the appellate authority shall be in writing containing reasons, bearing the date of the order and signature of the appellate authority.

(2) A copy of the order passed under sub-rule (1) shall be communicated to the appellant, the respondent and the adjudicating officer.

10. Powers of the appellate authority.- (1) The appellate authority may—

- (a) confirm the order appealed against;
- (b) modify the order appealed against;
- (c) set aside the order appealed against;
- (d) remit the matter to the adjudicating officer for fresh consideration;
- (e) reduce, enhance or annul the penalty imposed; or
- (f) pass such other order as it may deem fit in the facts and circumstances of the case.

(2) No penalty to be imposed under these rules shall exceed the maximum penalty specified under the Act.

11. Effect of appellate order.- Every order passed by the appellate authority under these rules shall be conclusive.

FORM-I

[See rule 3(2)]

Complaint

(To be filed before the adjudicating officer)

1. Name and address of complainant;
2. Contact details and email;
3. Particulars of alleged contravention;
4. Date and place of occurrence;
5. Details of employer/person concerned;
6. Documents relied upon;
7. Relief sought; and
8. Any other particulars required to be furnished.

Declaration

I hereby declare that the facts stated above are true to the best of my knowledge and belief.

(Signature of Complainant)

FORM-II

[See rule 4(1)]

Show Cause Notice

Whereas based on the complaint dated _____ (copy enclosed), it appears that you have committed contravention of section ___ of the Seaman's Provident Fund Act, 1966. Therefore, you are required to show cause within ___ days from receipt of this notice as to why the proceedings for imposition of penalty under section 16A of the Act should not be initiated against you.

(Signature, name and seal of the Adjudicating Officer)

Dated: _____

FORM-III

[See rule 8(1)]

Application for Appeal before the Appellate Authority

1. Particulars of Appellant

1.1 Name:

1.2 Address:

1.3 Telephone/Mobile Number:

1.4 E-mail Address:

1.5 Name and Address of Authorised Representative/Advocate, if any:

2. Particulars of Respondent

1.1 Name:

1.2 Address:

1.3 Telephone/Mobile Number:

1.4 E-mail Address:

1.5 Name and Address of Authorised Representative/Advocate, if any

3. Particulars of Order Appealed Against

3.1 Date of Order:

3.2 Reference Number:

3.3 Name and designation of Adjudicating Officer:

3.4 Amount of penalty imposed:

3.5 Copy of order enclosed: Yes/No

4. Grounds of Appeal

(Provide concise statement of facts and grounds of challenge)

5. Documents Relied Upon

(List documents enclosed)

6. Relief Sought

(State the precise relief claimed)

Verification

I, _____, the appellant above named, do hereby verify that the facts stated herein are true to my knowledge and belief.

Place:

Date:

(Signature of Appellant)

Annexure-II
DRAFT FOR PUBLIC CONSULTATION

To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)

MINISTRY OF PORTS, SHIPPING AND WATERWAYS

NOTIFICATION

New Delhi, the ____ June, 2026.

G.S.R. _____.— In exercise of the powers conferred by sub-section (1) and clauses (oa), (ob) (oc) and (od) of sub-section (2) of section 42 of Recycling of Ships Act, 2019 (Act No. 49 of 2019), the Central Government hereby makes the following rules, namely:—

CHAPTER I

PRELIMINARY

1. Short title and commencement.— (1) These rules may be called the Recycling of Ships (Compounding of Offences, Adjudication of Penalties and Appeal) Rules, 2026.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions.— (1) In these rules, unless the context otherwise requires,—

(a) "Act" means the Recycling of Ships Act, 2019 (Act No. 49 of 2019);

(b) "adjudicating officer" means an officer appointed by the Central Government under sub-section (1) of section 32A of Act;

(c) "appellate authority" means an officer appointed by the Central Government under sub-section (2) of section 32A of the Act;

(d) "applicant" means a ship owner, Ship Recycler, master, agent, or any person who has committed or is alleged to have committed an offence punishable under the Act;

(e) "compounding officer" means the officer designated by the Central Government under sub-section (2) of section 35 of the Act;

(f) "form" means the form appended to these rules;

(2) Words and expressions used herein and not defined, but defined in the Act, shall have the same meanings as assigned to them in the Act.

CHAPTER II

COMPOUNDING OF OFFENCES

3. Form and manner of application.— An applicant may, either before or after the institution of prosecution, make an application in Form-I to the compounding officer to compound the offence under section 35 of the Act.

4. Procedure on receipt of application under Rule 3.— (1) The compounding officer may by order, within 30 days of the receipt of application under rule 3, either allow the application indicating the compounding amount specified under rule 5, or reject such application, after taking into account the contents of the application and any other information made available to him.

(2) No order shall be passed under sub-rule (1) by the compounding officer unless the parties have been given a reasonable opportunity of being heard.

(3) A copy of the order shall be supplied free of cost to the parties.

5. Fixation of the compounding amount.— (1) For the purpose of compounding of offences under the Act, the compounding amount shall be fixed as provided in the table below:

SL. NO.	SECTION	NATURE OF OFFENCE UNDER THE ACT	COMPOUNDING AMOUNT
1.	Section 31(1)	Installation or use of prohibited hazardous materials in a ship in contravention of the Act.	Rs. 2,50,000
2.	Section 31(3)	Recycling a ship without a ship recycling plan prepared and approved under Section 17(1).	Rs. 5,00,000
3.	Section 31(4)	Recycling a ship without explicit written permission or deemed permission under Section 18(1).	Rs. 5,00,000
4.	Section 31(5)	Failure to ensure safe and environmentally sound removal and management of hazardous materials.	Rs. 2,50,000

CHAPTER III

HOLDING OF INQUIRY AND IMPOSITION OF PENALTY BY ADJUDICATING OFFICER

6. Filing of complaint.- (1) Any ship owner, Ship Recycler, master, agent, or any person having knowledge of a contravention under the Act, may file a complaint before the Adjudicating Officer.

(2) Every complaint referred to in sub-section (1) shall be made in Form-II and may be submitted—

- (a) electronically;
- (b) by registered post or speed post; or
- (c) by hand.

7. Holding of Inquiry - (1) For the purpose of adjudication under section 32 of the Act, the Adjudicating Officer shall, within thirty days from the receipt of a complaint, issue a notice in Form-III to the person alleged to have committed the contravention requiring such person to show cause, within such period as may be specified in the notice, being not less than fifteen days from the date of service thereof, why proceedings should not be initiated against such person for contravention of the provisions of the Act.

(2) Upon consideration of the reply received under sub-rule (1), if any, the Adjudicating Officer may, if satisfied that it is necessary, issue a notice of hearing within fifteen days of receipt of reply, which may require appearance in person or through an authorised representative or through additional submissions necessary to adjudicate the matter.

(3) No order shall be passed by the Adjudicating Officer unless the parties have been given a reasonable opportunity of being heard.

(4) Where the person to whom a notice of hearing under sub-rule (2) has been served, fails to appear or make submissions, as the case may be, the Adjudicating Officer may proceed ex-parte after recording reasons in writing.

(5) Upon consideration of the material available on record, if the Adjudicating Officer is satisfied that the contravention has been committed, he may, by order in writing, impose such penalty as provided under the Act.

(6) Every order passed under sub-rule (5) shall specify—

- (a) the contravention committed;
- (b) the provisions of the Act violated;
- (c) the reasons for the findings;
- (d) the quantum of penalty imposed; and
- (e) the time within which the penalty is to be paid.

(7) A copy of the order shall be supplied free of cost to the parties concerned.

(8) The Adjudicating Officer shall endeavour to complete the proceedings within four months from the date of issuance of notice under sub-rule (1).

8. Service of notices and orders.- A notice or order under these rules shall be served by—

- (a) personal delivery;
- (b) electronic means;
- (c) registered post or speed post; or
- (d) where service cannot be effected by the above methods, by affixing the notice at the last known place of residence or business of the person concerned.

9. Factors to be considered while determining quantum of penalty.- While determining the quantum of penalty, the Adjudicating Officer may have due regard to—

- (a) repetitive nature of the contravention;
- (b) whether the contravention was deliberate, wilful or negligent;
- (c) corrective measures taken by the person concerned; and
- (d) any other relevant factor having a bearing on the interests of seamen.

CHAPTER IV

APPEAL AGAINST ORDER OF IMPOSITION OF PENALTY BY ADJUDICATING OFFICER

10. Appeal against order of Adjudicating Officer- (1) Any person aggrieved by an order passed by the Adjudicating Officer under sub-rule (5) of rule 7 may prefer an appeal before the Appellate Authority in Form-IV.

(2) Every appeal under sub-rule (1) shall be filed within a period of thirty days from the date of receipt of the order appealed against:

Provided that the Appellate Authority may entertain an appeal filed after the expiry of the said period if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal within time.

(3) The appeal may be filed in person, through an authorised representative, or through an advocate duly authorised in this behalf, by registered post, speed post, or through electronic means.

(4) An appeal sent by post shall be deemed to have been filed on the date on which it is received in the office of the Appellate Authority.

(5) Upon scrutiny, where the appeal is found to be in order, it shall be admitted.

(6) Where any defect is noticed in the appeal, the Appellate Authority shall communicate such defect to the appellant and allow a period of fifteen days to rectify the same.

(7) Where the appellant fails to rectify the defects within the period specified in sub-rule (6), the Appellate Authority may, for reasons to be recorded in writing, refuse to register the appeal and communicate such decision to the appellant.

(8) Upon admission of the appeal, the Appellate Authority shall serve a copy thereof upon the respondent.

(9) The respondent may file a reply within fifteen days from the date of receipt of notice of appeal.

(10) The Appellate Authority may call for the records relating to the proceedings from the Adjudicating Officer.

(11) The Appellate Authority shall afford the parties a reasonable opportunity of being heard before passing any order.

(12) The Appellate Authority shall endeavour to dispose of the appeal within thirty days from the date of admission thereof.

11. Orders of the Appellate Authority.- (1) Every order of the Appellate Authority shall be in writing containing reasons, bearing the date of the order and signature of the Appellate Authority.

(2) A copy of the order passed under sub-rule (1) shall be communicated to the appellant, the respondent and the Adjudicating Officer.

12. Powers of the Appellate Authority.- (1) The Appellate Authority shall—

- (a) confirm the order appealed against;
- (b) modify the order appealed against;
- (c) set aside the order appealed against;
- (d) remit the matter to the Adjudicating Officer for fresh consideration;
- (e) reduce, enhance or annul the penalty imposed; or
- (f) pass such other order as it may deem fit in the facts and circumstances of the case.

(2) No penalty to be imposed under these rules shall exceed the maximum penalty specified under the Act.

13. Effect of appellate order.- Every order passed by the Appellate Authority under these rules shall be conclusive.

CHAPTER V

PAYMENT OF COMPOUNDING AMOUNT AND PENALTIES

14. Payment of compounding amount and penalties.- (1) Any compounding amount specified in rule 5 or penalty imposed under the Act shall be paid within thirty days of the receipt of the order passed by the compounding officer under sub-rule (1) of rule 4 or the adjudicating officer under sub-rule (5) of rule 7, as the case may be.

(2) The certified proof of payment referred to in sub-rule (1) shall be furnished to the compounding officer or the Principal Officer, as the case maybe

(3) The amount referred to in sub-rule (1) shall be remitted electronically or through such mode as may be specified in such order.

(4) All sums realized by way of compounding amount and penalties shall be credited directly to the Consolidated Fund of India.

FORM I

[See rule 3]

**APPLICATION FOR COMPOUNDING OF AN OFFENCE
UNDER THE RECYCLING OF SHIPS ACT, 2019**

To,
The Compounding Officer,

_____.

(1) Full name and address of the applicant:

(2) Name of the Ship, Registration Number, and IMO Number
(if applicable): _____

(3) Details of the Authorized Ship Recycling Facility
involved: _____

(4) Status of the applicant (Ship Owner / Ship Recycler /
Master / Agent/ Any Other Person):

(5) Date of occurrence of the alleged offence _____

(6) Details of show-cause notice / detention order of vessel (if issued):

(7) Section(s) of the Act under which the offence is committed or alleged to have been
committed: _____

(8) Brief summary of facts of the case (attach separate sheet
if required): _____

(9) Details of any structural or environmental damage caused and
remedies undertaken (if any):

(10) Whether prosecution has already been instituted in any Court (Yes/No): (If yes,
provide name of Court and Case No.)

VERIFICATION

I, _____ S/o or D/o _____, the appellant above named, do hereby verify that the facts
stated herein are true to my knowledge and belief.

(Signature of the Applicant / Authorized Signatory)

Designation & Seal

Date:

Place:

FORM-II

[See rule 6(2)]

Complaint

(To be filed before the Adjudicating Officer)

1. Name and address of complainant;
2. Contact details and email;
3. Particulars of alleged contravention;
4. Date and place of occurrence;
5. Details of person alleged to have committed contravention of the Act;
6. Documents relied upon;
7. Relief sought; and
8. Any other particulars required to be furnished.

Declaration

I hereby declare that the facts stated above are true to the best of my knowledge and belief.

(Signature of Complainant)

FORM III

[See rule 7(1)]

Show Cause Notice

Whereas based on the complaint dated _____ (copy enclosed), it appears that you have committed contravention of section ____ of the Recycling of Ships Act, 2019. Therefore, you are required to show cause within ___ days from receipt of this notice as to why the proceedings for imposition of penalty under section 32 read with section 32A of the Act should not be initiated against you.

Dated: _____

(Name and signature of the Adjudicating Officer)

Seal

FORM IV

[See rule 10(1)]

Application for Appeal before the Appellate Authority

1. Particulars of Appellant

1.1 Name:

1.2 Address:

1.3 Telephone/Mobile Number:

1.4 E-mail Address:

1.5 Name and Address of Authorised Representative/Advocate, if any:

2. Particulars of Respondent

1.1 Name:

1.2 Address:

1.3 Telephone/Mobile Number:

1.4 E-mail Address:

1.5 Name and Address of Authorised Representative/Advocate, if any

3. Particulars of Order Appealed Against

3.1 Date of Order:

3.2 Reference Number:

3.3 Name and designation of Adjudicating Officer:

3.4 Amount of penalty imposed:

3.5 Copy of order enclosed: Yes/No

4. Grounds of Appeal

(Provide concise statement of facts and grounds of challenge)

5. Documents Relied Upon

(List documents enclosed)

6. Relief Sought

(State the precise relief claimed)

Verification

I, _____, the appellant above named, do hereby verify that the facts stated herein are true to my knowledge and belief.

Place:

Date:

(Signature of Appellant)

Annexure - III

To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)

MINISTRY OF PORTS, SHIPPING AND WATERWAYS

NOTIFICATION

New Delhi, the ____ June, 2026.

G.S.R. _____(E). — In exercise of the powers conferred by clause (ea) of sub-section (2) of section 319 of the Merchant Shipping Act, 2025 (24 of 2025), the Central Government hereby makes the following rules to amend the Merchant Shipping (Appeal against Penalties and Miscellaneous Matters) Rules, 2026, namely: —

1. Short title and commencement. - (1) These rules may be called the Merchant Shipping (Appeal against Penalties and Miscellaneous Matters) Amendment Rules, 2026.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Amendment to rule 1.- In the Merchant Shipping (Appeal against Penalties and Miscellaneous Matters) Rules, 2026 (hereinafter referred to as the principal rules), in rule 1, for sub-rule (1), the following sub-rule shall be substituted, namely: —

"(1) These rules may be called the Merchant Shipping (Appeal against Penalties, Compounding of Offences and Miscellaneous Matters) Rules, 2026."

3. Amendment to rule 2.- In rule 2 of the principal rules, in sub-rule (1), after clause (c), the following clause shall be inserted, namely: —

"(ca) 'compounding officer' means an officer designated by the Central Government by notification under sub-section (5) of section 282 and sub-section (1) of section 282A of the Act;"

4. Insertion of New Chapter IA. - After CHAPTER I of the principal rules, the following Chapter shall be inserted, namely: —

"CHAPTER IA

COMPOUNDING OF PENALTIES AND OFFENCES

2A. Form and manner of application.— (1) An applicant may, either before or after the institution of prosecution, make an application in Form-IA to the compounding officer to compound the offences under section 38, clause (d) of sub-section (1) of section 99, or sub-section (1) of section 139 of the Act which are punishable to the extent of punishment specified at Serial No. 3, 9 and 15 respectively in the table under sub-section (3) of section 281 of the Act.

(2) An applicant may, either before or after the institution of proceedings before the Principal Officer, make an application in Form-IA to the compounding officer for compounding of first contravention of the provisions of the Act for which penalty has been provided in the table under sub-section (2) of section 281 of the Act.

2B. Procedure on receipt of application under Rule 2A— (1)The compounding officer may by order, within 30 days of the receipt of application under rule 2A, either allow the application indicating the compounding amount specified under rule 2C, or reject such application, after taking into account the contents of the application and any other information made available to him.

(2) No order shall be passed under sub-rule (1) by the compounding officer unless the parties have been given a reasonable opportunity of being heard.

(3) A copy of the order shall be supplied free of cost to the parties.

2C. Fixation of the compounding amount.— (1) For the purpose of compounding of offences under the Act, the compounding amount shall be fixed as provided in the table below:

SL. NO.	SECTION	NATURE OF OFFENCE UNDER THE ACT	COMPOUNDING AMOUNT
1.	Section 38	Concealment of Indian or assumption of foreign character.	Rs. 1,00,000
2.	Section 99(1)(d)	A seafarer repeatedly disobeys orders, neglects their duty, or teams up with others to delay the voyage.	Amount equivalent to three days' wages
3.	Section 139(1)	The Central Government or an authorized officer can order Indian vessel owners to provide specific services or assistance with regard to containment of pollution and the reporting of incident.	Rs. 2,50,000

(2) For the purpose of compounding of penalties under the Act, the compounding amount shall be fifty percent of the amount specified in column (4) of the table under sub-section (2) of section 281 of the Act.

5. Insertion of Form-IA in the Schedule. —In the Schedule to the principal rules, after **FORM-I**, the following Form shall be inserted, namely: —

FORM I

[See rule 2A]

**APPLICATION FOR COMPOUNDING OF PENALTIES AND OFFENCES
UNDER THE MERCHANT SHIPPING ACT, 2025**

To,
The Compounding Officer,

(1) Full name and address of the applicant:

(2) Following Particulars of the Seafarer (if applicable):

a. INDOS Number;

b. Continuous Discharge Certificate Number:

(3) Name of the Ship, Registration Number, and IMO Number
(if applicable): _____

(4) Date of occurrence of the alleged contravention or offence under the
Act _____

(5) Details of detention order of vessel (if issued):

(7) Section(s) of the Act under which the contravention or offence is committed or alleged
to have been committed:

(8) Brief summary of facts of the case (attach separate
sheet if
required): _____

(9) In case of offence, whether prosecution has already been instituted in any Court under
sub-section (3) of section 281 of the Act (Yes/No/ Not Applicable): (If yes, provide
name of Court and Case No.)

(10) In case of contravention, whether proceedings have been initiated before the Principal
Officer for imposition of penalties under sub-section (2) of section 281 of the Act (Yes/ No/
Not Applicable)

VERIFICATION

I, _____ S/o or D/o _____, the appellant above named, do hereby verify that the facts stated herein are true to my knowledge and belief.

Signature of the Applicant / Authorized
Signatory)

Designation & Seal

Date:

Place:

6. Addition of new rule. – After rule 14 of the principal rules, the following rule shall be inserted, namely: —

“15. Payment of compounding amount.- (1) Any compounding amount specified in these rules shall be paid within thirty days of the receipt of the order passed by the compounding officer.

(2) The certified proof of payment referred to in sub-rule (1) shall be furnished to the compounding officer.

(3) The amount referred to in sub-rule (1) shall be remitted electronically or through such mode as may be specified in such order.

(4) All sums realized by way of compounding amount shall be credited directly to the Consolidated Fund of India.”