

DRAFT

MINISTRY OF PORTS, SHIPPING AND WATERWAYS

NOTIFICATION

New Delhi, the _____ 2026

G.S.R. ____ (E).— In exercise of the powers conferred under clause (h) of sub-section (2) of Section 152 read with Section 9 of the Merchant Shipping Act 2025, the Central Government hereby makes the following rules, namely “the Merchant Shipping (Recognized Organization) Rules, 2026.”—

1. Short title and commencement.

- (1) These rules may be called the ***Merchant Shipping (Recognized Organizations) Rules,*** 2026.
- (2) They shall come into force on the date of their publication in the Official Gazette.

2. Application

This rule shall apply to all Recognized Organizations that are authorized by the Central Government under section 9 of the Merchant Shipping Act, 2025 (24 of 2025), and Rule 4 of these Rules, to perform statutory surveys, audits, inspections, approvals, and certification on behalf of the Central Government

3. Definitions.

In these rules, unless the context otherwise requires,—

- (a) “Act” means the *Merchant Shipping Act, 2025*;
- (b) “Administration” means the Director-General of Maritime Administration appointed under sub-section (1) of Section 7 of the Act;
- (c) “Agreement” means the bilateral instrument executed between the Administration and the Recognized Organization defining the scope, rights, obligations, and conditions of authorization
- (d) “Authorization” means the formal notification issued by the Director-General of Maritime Administration authorizing a Recognized Organization to act on its behalf for performing statutory surveys, audits, inspections, approvals, certifications or any specified functions;
- (e) “Recognized Organization” or “RO” means a *Classification Society* or other body recognized by the Central Government for the purpose of performing statutory

surveys, audits, inspections, approvals and certification functions on behalf of the Central Government;

(f) “RO Code” means the *Code for Recognized Organizations (RO Code)* adopted by the International Maritime Organization through Resolutions MSC.349(92) and MEPC.237(65), as amended from time to time.

4. Scope.

The Recognized Organizations engaged in statutory functions on behalf of the Central Government, shall operate in compliance with the terms of appointment and a manner consistent with the principles of transparency, competence, impartiality, accountability, and continuous improvement in accordance with the IMO RO Code.

5. Authorization and notification.

(1) The Central Government may, by notification under Section 9 of the Act in the Official Gazette, authorize and notify Classification Societies fulfilling the prescribed criteria as Recognized Organizations.

(2) The criteria for authorization shall include—

- (a) demonstrated technical competence and global experience;
- (b) compliance with ISO 9001 standards;
- (c) compliance with the IMO RO Code;
- (d) effective governance and quality management systems; and
- (e) financial capability and professional integrity.

(3) The authorization shall be valid for a period as may be specified by the Central Government by issuance of general or specific order and such period shall be renewable upon satisfactory performance of functions and responsibilities by the Recognized Organizations.

6. Agreement with the Director General of Maritime Administration.

(1) Every Recognized Organization authorized under rule 4 shall enter into a bilateral agreement with the Director General defining the scope and extent of delegation.

(2) The agreement shall specify, inter alia—

- (a) categories of ships and statutory instruments covered;
- (b) survey, audit, Inspection and certification procedures in accordance with the applicable Rules made under the Act;
- (c) reporting obligations and electronic data interface;
- (d) quality assurance and performance review procedures;
- (e) confidentiality and conflict of interest provisions;
- (f) procedures for suspension, withdrawal or termination;

(g) liabilities, indemnities and insurance coverage; and

(h) such other matter as may be deemed appropriate by the Central Government

7. Obligations of Recognized Organizations.

Every Recognized Organization shall—

- (a) act under the direct authority and supervision of the Director General;
- (b) perform its delegated statutory functions with due diligence and impartiality;
- (c) maintain technical and administrative competence consistent with international standards;
- (d) ensure surveyors, auditors and inspectors are qualified, trained and authorized in accordance with the IMO RO Code, these rules or any other general or special order issued by the Director General,;
- (e) promptly report to the Director General any matter that may affect the validity of statutory certificates issued to vessels;
- (f) ensure that certificates and reports are issued strictly in accordance with the Act, applicable MS Rules, applicable conventions, and instructions of the Director General;
- (g) submit to periodic audits, performance reviews, and data sharing as prescribed under the Act and these Rules;
- (h) maintain complete and accurate records of surveys, audits, and certifications for a minimum period of ten years; and
- (i) notify the Director General of any change in ownership, structure, or capability affecting its operations in India.

8. Qualification of surveyors and auditors.

The qualification, training, and experience requirements of surveyors, auditors, and technical personnel engaged by a Recognized Organization for undertaking statutory surveys, audits, inspections, or approvals under the Act shall be such as may be specified by general or special order by the Director General from time to time.

9. Limitation of authority.

Recognized Organization shall perform the statutory functions within authority allotted to them by express delegation by the Director General in accordance with the Act and these Rules.

10. Oversight and monitoring.

(1) The Director General shall conduct oversight and monitoring of Recognized Organizations through:

- (a) annual performance reviews and/or audits;
- (b) on-site inspections of offices and survey activities;

- (c) review of survey and certification data;
- (c) Supplementary surveys and audits; and
- (d) joint verification of ships and statutory records.

(2) The Director General may issue directives or corrective actions, which shall be complied with by the RO, so as to ensure compliance with national and international obligations.

11. Liability and indemnity.

The Recognized Organization shall be liable for any act of negligence, omission, or default in performing delegated statutory functions in accordance with the bilateral agreement between the Director General and the Recognized Organization.

12. Suspension, withdrawal, and termination.

(1) The Central Government may suspend or withdraw the authorization of a Recognized Organization if—

- (a) it fails to comply with the provisions of these rules or the terms of the agreement;
- (b) its performance is found unsatisfactory during audit or review; or

(2) The suspension or withdrawal shall be preceded by a notice stating the grounds and providing an opportunity for representation within three months or as may be specified by the Central Government.

(3) The Central Government may, for recorded reasons, terminate the agreement forthwith in cases including but not limited to fraud, gross negligence, or misrepresentation.

13. Liberty of shipowners to select Recognized Organization.

(1) A shipowner, company, or any other entity requiring statutory survey, audit, inspection, or certification services under the Act shall be at liberty to engage the services of any Recognized Organization duly notified by the Central Government, subject to—

- (a) the scope of authorization and functions delegated to such Recognized Organization under its agreement with the Director General ; and
- (b) compliance with such procedures or conditions as may be prescribed by the Directorate General.

(2) No undue preference or restriction shall be laid upon choosing a Recognized Organization by the owner, provided that the selected Recognized Organization is authorized to undertake the particular statutory function or certification required under the Act.

14. Appeals:-

(1) The Chief Surveyor appointed under sub-clause (ii) of clause (d) of sub-section (1) of section 8 of the Act shall have overall responsibility for the uniform implementation of these rules and shall serve as the **first appellate authority** for any appeal arising out of the decisions or orders issued under these rules.

(2) The Director General shall be the **second appellate authority** for any person or entity aggrieved by an order or decision made under sub-rule (1) and shall also serve as the final adjudicating authority for all matters arising under these rules.

(4) Any person aggrieved by any order, decision or direction may file an appeal within thirty (30) days from the date of receipt of such order decision or direction and such an appeal shall be in writing and shall set out the grounds of appeal clearly and the appellate authority may allow a longer period for filing the appeal, but not exceeding sixty (60) days from the date of issuance of the direction or order under challenge, if it is satisfied that the appellant was prevented by sufficient cause from filing within thirty (30) days.

(5) Any person preferring the second appeal as provided under sub rule (2) above, shall file the appeal in writing within thirty (30) days from the date of issuance of the final order passed by the first appellate authority under subrule (4) above, and shall set out the grounds of second appeal clearly; and the second appellate authority may allow a longer period for filing the appeal, but not exceeding sixty [60] days from the date of issuance of the order by the first appellate authority, if it is satisfied that the appellant was prevented by sufficient cause from filing within thirty [30] days

(6) The filing of an appeal or second appeal shall not automatically stay the operation of the order against which the appeal is made and , the appellant may separately apply to the appellate authority for a stay on the operation of the order, decision, direction pending the disposal of the appeal, and the authority may grant or decline such request for issuance of stay having regard to the merits of the case and the implications for safety or environmental protection.

7) Upon receipt of an appeal or second appeal the appellate authority shall give the appellant and any other party whose rights or interest may be affected , an opportunity of being e heard, and the authority may also constitute a committee of experts whose function shall be advisory in nature , which shall be non-binding on the appellate authority.

(8) After examining the case, the appellate authority shall pass a reasoned order, confirming, modifying, or setting aside the original decision and such decision on appeal shall be communicated to the appellant and to the original authority, in which case

(a) If the appeal is against a suspension or cancellation of a certificate and the appeal is allowed, the certificate may be restored or reissued as the case may be, with continuity of validity as appropriate; or

(b) If the appeal is dismissed, any interim relief granted will cease and the original order will stand affirmed.

(9) Notwithstanding anything contained in these rules, the appellate authority as provided under subrule (1) and subrule (2) above as the case may be may in its order specify any further remedial actions that need to be taken by the parties concerned .

15. Transitional provisions and Savings.

(1) All Recognized Organizations notified prior to the commencement of these rules shall be deemed to be authorized under these rules, provided there exists a valid agreement in force and subject to execution of revised agreements within such period as may be specified by the Director General by general or special order.

(2) Nothing in these rules shall affect any action taken or order issued under any previous authorization, provided such action is not inconsistent with the provisions of these rules.
