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MARITIME LAW

The Merchant Shipping (Wreck and Salvage) Rules, 2026: A New Framework for Wrecks and Salvage

The Merchant Shipping (Wreck and Salvage) Rules, 2026, notified on 23 October 2026, set out how wrecks are reported, marked, removed and sold, introduce Nairobi Convention liability certificates, and require shipowners to hold contracts with retained salvors and pollution response operators before a casualty.

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If a cargo ship breaks up close to the Indian coast, three questions need answers within hours. Who warns other vessels? Who pays to clear the wreck? And who gets rewarded for saving what can be saved? For decades, the answers sat in rules drafted in 1974, before environmental salvage and wreck-removal liability became part of international maritime law.

Now, the Ministry of Ports, Shipping and Waterways notified the Merchant Shipping (Wreck and Salvage) Rules, 2026 on 23 October 2026. They put the wreck and salvage provisions of the Merchant Shipping Act, 2025 (24 of 2025) into working order, set up the certificate process for wreck-removal liability under the Nairobi Convention of 2007, create approved lists of salvors and pollution response companies, and require shipowners to hold contracts with both before trouble starts. This article walks through the Rules one by one, under the headings the Gazette uses.

The 1974 Rules pre-date the Nairobi Convention of 2007, so they could not account for it. The Act of 2025 modernised the statute, and these Rules, made under section 260, supply the detail beneath it. In all there are 33 rules, four Schedules and three Forms.

Key Characteristics of the New Rules

Manner to Report Wreck

The master, shipowner or operator must give the owner's details, the wreck's exact position, its type and size, the damage, the cargo, and the quantity and type of any hazardous substances and oil on board, bunkers included. They must also say whether the wreck endangers navigation, the sea or the coastline.

The last item is the one to notice: the report must include a mitigation plan. Saying a problem exists is not enough. The owner is expected to arrive with an idea of how to handle it.

Marking of Wrecks

On receiving a report, the Director-General must use every practicable means, including the National Hydrographic Office, the Lighthouses Directorate and port authorities, to issue a navigational warning giving the wreck's position. It is broadcast through all available channels. The Director-General can also order the owner to mark the wreck, following the Marine Aids to Navigation Act, 2021, and direct the receiver of wreck, port authorities, the Maritime Board and the Lighthouses Directorate to help locate or mark it.

Measures to Facilitate Removal of Wrecks

The registered owner or operator is primarily responsible for removing a wreck, as section 242 of the Act requires. The receiver of wreck coordinates and supervises the work, and port authorities and Maritime Boards provide logistical help when asked,

without reducing the owner's own duty. The owner must also appoint a retained salvor or pollution response operator to do the removal, within the time the authority or receiver sets.

One provision deserves attention. Sometimes an owner sits on a wrecked vessel and will not declare it a constructive total loss, even though it threatens navigation or the environment. Rule 5(3) lets the authority or the receiver step in, after assessment and consultation with the advisory committee. They may issue a notice of abandonment for the owner, declare the vessel a constructive total loss, or declare it a wreck and start removal. None of this releases the owner from responsibility. An owner cannot wait a casualty into something worse.

Application for Issue or Renewal of a Certificate of Insurance or Other Financial Security

The owner of an Indian vessel holding insurance or other financial security under section 244(1) applies to the Registrar at the port of registry on Form A for a certificate covering liability under the Nairobi Convention, or for its renewal. The owner or operator of a foreign ship registered in a State that is not a party to the Convention can apply the same way. The application needs documentary evidence of the cover and proof that the fee has been paid.

Issue of Duplicate Certificate

If a certificate is destroyed, defaced, lost or stolen, the owner or agent can apply to the Registrar of the original port of registry for a duplicate on Form C, with the prescribed fee. These duplicate rules do not apply to certificates issued in electronic form.

Procedure for Issuance of a Duplicate Certificate

The owner must report the loss in writing to the Registrar without delay. For a lost, stolen or destroyed certificate, a police complaint must follow, and a defaced one must be surrendered. A notice of loss then runs in two dailies, one a national English daily and one in the local language of the port of registry, inviting objections within ten days of publication. After that, the owner applies with the police report, both notices and an undertaking to hand back the original if it turns up. A duplicate carries the same legal force as the original.

Claims of Registered Owners to Wreck

An owner claims the wreck or its sale proceeds from the receiver using Part I of the First Schedule. Claims by agents or assignees, or for belongings of a deceased master, seaman or passenger, are not entertained until title is proved. Where title is doubtful, the claimant completes a sworn declaration in Part II, and the receiver can make enquiries of the Registrar of ships, the shipper or the consignee.

Procedure for Sale of a Wreck

A wreck can only be sold by public auction, on an "as is where is" basis, and the buyer takes on any taxes and encumbrances such as maritime liens. Notice must run at least fourteen days before the sale, in three consecutive issues of at least two widely circulated dailies. It must describe the wreck, state the down-payment due straight after the auction and the period for paying the balance, reserve the receiver's right to reject the highest bid or cancel the sale for reasons recorded in writing, and warn that a winning bidder who fails to pay on time forfeits the down-payment. A failed auction means a fresh sale.

If the wreck still does not sell, the receiver disposes of it by scrapping, recycling or destruction without further involvement from the owner. But if disposal brings in nothing, the owner remains liable for all outstanding liabilities.

Circumstances Under Which Authority Shall Undertake Salvage

The authority will carry out or control salvage where the owner does not appoint salvors or they fail to act in time, or where a wreck has been found to be a hazard under section 237 and the owner has not removed it within the specified time or has ignored directions. It can also act in other circumstances it considers necessary, and may hire any government or private entity. The costs it proportionately incurs under section 250 are to be borne by, or recovered from, the owner of the vessel, cargo, equipment or wreck.

Committee for Retention of Salvors

A Committee chaired by the Nautical Advisor assesses applications from salvors. Its members include the Chief Surveyor, the Chief Ship Surveyor, a Mercantile Marine Department officer, a Ministry representative, the Deputy Conservators of Mumbai and Jawaharlal Nehru Port Authorities and a Special Casualty Representative, with the Nautical Surveyor as Member Secretary. It meets at least once a year. It only recommends. The authority approves or rejects, reviews the list from time to time, and can

remove anyone whose authorisation has been suspended or withdrawn.

The Third Schedule sets the test. Mandatory items include Indian incorporation or an Indian joint venture or alliance, audited financials showing positive net worth, salvage equipment in or deliverable to India, a qualified team able to handle emergencies on both coasts at once, at least four successful operations in the last five years, professional indemnity insurance, an agreement to mobilise tugs within 24 hours of a report, a 24×7 contact person and an affidavit promising compliance with Indian law. Preferred extras include experience in the Indian Ocean Region and Gulf waters and International Salvage Union membership. The Schedule also sets a footprint requirement of one standby location on each coast within 12 months, growing to at least four around the coastline within three years.

Retention of Marine Pollution Response Operators

The authority maintains a list of pollution response operators, assessed by the same Committee on the Fourth Schedule criteria. It approves or rejects the recommendations and can remove an operator whose authorisation has been suspended or withdrawn. The Fourth Schedule is more flexible than the Third: one or more bases in a defined coastal region will do. Equipment, whether owned, leased or arranged through mutual-aid agreements, must meet Tier 1 or Tier 2 needs under the National Oil Spill Disaster Contingency Plan and the HNS crisis plan, staff must be IMO-trained, and there must be a 24×7 contact person.

Maintenance of Salvage Contracts and Marine Pollution Response Contracts

Owners must maintain valid contracts with a retained salvor and a retained pollution response operator. The salvage contract must secure enough trained people and equipment for firefighting, salvage, lightering, dewatering and emergency towing, matched to the ship and to the authority's response times. The pollution contract must secure the ability to contain and recover spills, protect the shoreline and control pollution in line with national and area plans. If one company is approved for both roles, the owner keeps a single contract covering both.

Procedure for Grievance Redressal by Director-General

Either an owner or a salvor can complain in writing to the Director-General, who acknowledges within seven days, collects submissions and evidence, holds hearings if needed and settles the matter by reasoned order. The process is meant to be impartial and confidential and, where practicable, finished within ninety days. Court remains open to both sides. Any contravention is punishable under section 281 of the Act.

Analysis

Under the old system, a casualty set off a scramble: find a salvor, haggle over terms, argue about who pays. Under the new one, the salvor and the pollution response operator are already under contract, drawn from a vetted list, and tied to response times set by the authority.

Shipowners and operators have a new compliance item in Rule 30, and wreck-removal liability now joins their other statutory certificates. The State can declare a constructive total loss on their behalf, and their liability continues if a wreck's disposal brings in no sale proceeds.

Insurers and P&I clubs will see their details examined more closely, since the certificate rules put the insurer's address, forms of security and start date under the Registrar's eye.

Salvors and pollution response companies now have a clear but demanding route into the Indian market. Indian incorporation or partnership, standby locations on both coasts and 24-hour tug mobilisation point to a push to build capacity at home.

Some questions remain open. The Rules refer to an approved list of pollution response operators to be published later, and the response times the authority sets will decide how demanding the Rule 30 contracts actually are.

Conclusion

The Merchant Shipping (Wreck and Salvage) Rules, 2026 leave the basic bargain of casualty law where it was: the owner is primarily responsible for the wreck, and a salvor who saves property or protects the environment deserves a reward. What they add is structure: a report that comes with a mitigation plan, a State that steps in when the owner will not, a vetted pool of responders, and written procedures for auctions, valuations and disputes. For an industry that works some of the busiest sea lanes in the world, being prepared before the incident is worth more than any rule written after it.