**EXPLANATORY MEMORANDUM TO**

**THE MERCHANT SHIPPING (LIGHT DUES) (AMENDMENT) REGULATIONS 2026**

**2026 No. 234**

## 1. Introduction

1.1 This Explanatory Memorandum has been prepared by the Department for Transport and is laid before the House of Commons by Command of His Majesty.

## 2. Declaration

2.1 Keir Mather MP, Parliamentary Under-Secretary of State at the Department for Transport, Minister for Aviation, Maritime and Decarbonisation, confirms that this Explanatory Memorandum meets the required standard.

2.2 Shahab Paya, Deputy Director for Maritime Strategy and Sponsorship at the Department for Transport confirms that this Explanatory Memorandum meets the required standard.

## 3. Contact

3.1 Lisa Gilmour at the Department for Transport can be contacted by email at the following address with any queries regarding the instrument: lisa.gilmour@dft.gov.uk. Alternatively, the department can be contacted by telephone: 0300 330 3000.

## Part One: Explanation, and context, of the Instrument

## 4. Overview of the Instrument

### What does the legislation do?

4.1 This instrument amends the Merchant Shipping (Light Dues) Regulations 2025 (SI 2025/278) (the "2025 Regulations") to:

(a) increase charges for vessels that pay light dues on a per-voyage basis, namely:
  (i) the per-voyage rate will rise from 45 pence to 46 pence per net ton from 1 April 2026 and from 46 pence to 47 pence from 1 April 2027 (subject to the existing cap of nine voyages per vessel per year, which is unchanged).
  (ii) the maximum amount payable in respect of any one voyage will rise from £22,500 to £23,000 from 1 April 2026 and from £23,000 to £23,500 from 1 April 2027.

(b) changing how charges are calculated for tugs and fishing vessels by introducing a definition of 'registered length' aligned with the Merchant Shipping (Registration of Ships) Regulations 1993 (the "1993 Regulations") and clarifying when measurements are rounded up or down;

(c) amend the categories of vessels in Schedule 1 which are exempt from light dues, including expressing which tugs and fishing vessels are exempt by reference to the

new definition of 'registered length' and clarifying and modernising the language in one of the other exemptions (in paragraph 13 of Schedule 1).

***Where does the legislation extend to, and apply?***

4.2 The extent of this instrument (the jurisdictions which the instrument forms part of the law of) is England & Wales, Scotland and Northern Ireland.

4.3 The territorial application of this instrument (the jurisdictions where the instrument produces a practical effect) is England & Wales, Scotland and Northern Ireland.

## 5. Policy Context

***What is being done and why?***

5.1 General Lighthouse Authorities (GLAs) have a statutory duty to provide marine aids to navigation (such as lighthouses and buoys) and to respond to new wrecks and other dangers to navigation. Light dues are paid into the General Lighthouse Fund ('the Fund') by vessels to support the GLAs' work.

5.2 Replacement of GLA vessels and capital pressures require increases in light dues from 2026–27.

5.3 The 2025 Regulations modernised the light dues regime. This amending instrument makes targeted changes to (a) update charges for per-voyage payers, (b) align the way in which tugs and fishing vessels are measured with the equivalent basis in the 1993 Regulations, (c) address an oversight in the 2025 Regulations regarding how certain measurements are rounded down or rounded up, and (d) amend two of the exemptions from the obligation to pay light dues.

5.4 Further details of the changes are as follows:

(a) Charges for per-voyage payers: The per-voyage rate is being increased as set out in paragraph 4.1. The existing cap of payment for nine voyages per vessel per year remains unchanged. The maximum payment per-voyage amount also increases as set out above.

(b) Measurement of tugs and fishing vessels: Tugs and fishing vessels pay light dues by way of periodical payments. The amount of that payment is dependent in part on the length of the vessel. This instrument introduces a definition of 'registered length' for these purposes which is used in place of the previous 'load line length'. These changes align the measurement with the 1993 Registration and improve consistency and administrative simplicity.

(c) Rounding of measurements: In measuring tugs and fishing vessels for the purposes of calculating periodical payments, regulation 4(4) of the 2025 Regulations makes provision for whether a length less than or more than half a metre should be rounded down or rounded up. However, regulation 4(4) does not address what should be done in relation to a measurement of exactly half a metre. This instrument therefore amends the 2025 Regulations to provide that measurements up to and including half a metre are rounded down, and measurements over half a metre are rounded up.

(d) Exemptions: Schedule 1 of the 2025 sets out certain categories of vessel which are exempt from the obligation to pay light dues. This instrument updates Schedule 1 in two respects. Firstly, the exemption in paragraph 5 relating to tugs and fishing vessels below a certain length is amended so that the length is expressed as the 'registered length'. Secondly, the wording in paragraph 13 has been modernised and clarified; outdated references including 'in ballast' are removed. The rationale is to simplify administration and align the exemption with current operational practice.

***What was the previous policy, how is this different?***

5.5 Under the 2025 Regulations, vessels paying light dues on a per-voyage basis were charged a rate of 45 pence per net ton, up to a maximum payment of £22,500 per voyage, and subject to an annual cap of nine voyages per vessel. This amending instrument increases both the per-voyage rate and the maximum per-voyage amount in staged steps from April 2026 and April 2027, while leaving the nine-voyage cap unchanged. These changes respond to the projected funding needs of the General Lighthouse Fund and the forthcoming GLA vessel-replacement programme.

5.6 For tugs and fishing vessels, the 2025 Regulations calculated light dues by reference to "load line length". This instrument changes the charging basis by introducing a new definition of "registered length", which aligns the regime with the 1993 Regulations.

5.7 As described in paragraph 5.4(c) above, the 2025 Regulations did not address whether a measurement of exactly half a metre should be rounded up or down. This instrument corrects this.

5.8 The 2025 Regulations also introduced a modernised set of exemptions in relation to the payment of light dues. This instrument makes two changes to those exemptions as described in paragraph 5.4(d) above.

## 6. Legislative and Legal Context

***How has the law changed?***

6.1 Under section 211 of the Merchant Shipping Act 1995, the Secretary of State for Transport administers the General Lighthouse Fund. The Fund pays the costs incurred by the GLAs in discharging their statutory duties, including the provision of aids to navigation and responses to new dangers.

6.2 Light dues are a hypothecated tax and the principal source of income for the Fund. Under section 205(5) of the Merchant Shipping Act 1995, the Secretary of State may make regulations to set the light dues rate for the United Kingdom and to specify the circumstances in which light dues apply or are not payable. The relevant regulations for this purpose are the 2025 are Regulations.

6.3 This instrument amends the 2025 Regulations to:

(a) increase the per-voyage rate and the maximum per-voyage amount;

(b) introduce a definition of 'registered length' and use this for measuring tugs and fishing vessels when determining the amount of light dues payable by them;

(c) clarify that measurements of exactly half a metre are to be rounded down; and

(d) amend two of the exemptions from the obligation to pay light dues.

***Why was this approach taken to change the law?***

6.4 Given the targeted nature of the changes, an amending SI is the proportionate and efficient mechanism, rather than revoking and replacing the 2025 Regulations in full.

## 7. Consultation

***Summary of consultation outcome and methodology***

7.1 No public consultation was undertaken because light dues are a tax. The Department engaged with the GLAs and the Lights Advisory Committee (LAC), which represents the shipping industry, on the proposed rate changes and timing. The Department considered the advice received, including LAC's preference for longer notice period to support operators with budget planning.

## 8. Applicable Guidance

8.1 The Parliamentary Under-Secretary of State for Transport Keir Mather MP will make a written statement to Parliament on the upcoming change to the light dues rate. The GLAs and LAC will notify collectors of light dues and ship agents. No further guidance is required for this amending instrument.

# Part Two: Impact and the Better Regulation Framework

## 9. Impact Assessment

9.1 An impact assessment has not been prepared for this instrument because it is not defined as a "regulatory provision" within the Better Regulation Framework as it relates to a variation of tax.

9.2 The impact on business, charities or voluntary bodies is an increase in the amount of light dues to be paid by the shipping industry. This will increase the resources available to the GLAs to maintain aids to navigation, with no net cost to the public purse.

9.3 This legislation does not impact small or micro businesses.

9.4 There is no, or no significant, impact on the public sector as administration of light dues and the Fund is unchanged. The clarified exemption regime is expected to be easier to administer. There are no cost implications for the GLAs as there is no change to the provision of aids to navigation.

## 10. Monitoring and review

***What is the approach to monitoring and reviewing this legislation?***

10.1 Light dues are reviewed annually to ensure that the GLAs provide an effective and efficient service and value for money to payers. The Department and the Fund Accountant continuously monitor the level of the Fund to ensure it can meet the GLAs' costs.

10.2 The instrument does not include a statutory review clause and, in line with the requirements of the Small Business, Enterprise and Employment Act 2015, Keir Mather MP, Parliamentary Under-Secretary of State at the Department for Transport, has made the following statement:

"Having had regard to sections 28 to 32 of the Small Business, Enterprise and Employment Act 2015 and the Statutory Review Guidance for Departments published under section 31(3) of that Act, I have decided that it is not appropriate to make provision for review in this instrument because it would be disproportionate, taking into account the economic impact of the legislation, to include provision for review".

## Part Three: Statements and Matters of Particular Interest to Parliament

### 11. Matters of Special Interest to Parliament

11.1 As this instrument has been made to correct an error in the 2025 Regulations, it is being made available free of charge to everyone who received a copy of the 2025 Regulations.

### 12. European Convention on Human Rights

12.1 As the instrument is subject to negative procedure and does not amend primary legislation, no statement is required.

### 13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 ("relevant European Union Acts").