

JAPAN P&I NEWS

No.728-15/5/7

To the Members

Dear Sirs,

China SPRO - Qianhe

Members are referred to the previous [Japan P&I News No.726](#) dated 21 April 2015.

The Club is aware that certain investigations are taking place into Qianhe by the customs authority in China. The International Group of P&I Clubs (IG) is closely monitoring the situation through the IG's lawyer in Beijing, who is in touch with the China MSA, local MSA and Customs authorities.

As of today, Qianhe remains a qualified and approved SPRO and their status in this regard remains valid and has not been revoked. However, it appears some of their offices are not responding to communications and it is reported that Qianhe personnel and vessels have been detained for the purposes of the Customs investigation. It is, therefore, unclear whether they would actually be able to respond to any spill. No statement has been made by Qianhe, the Customs Authority or the MSA to clarify the position.

For Members whose vessels call at any Chinese ports within the next 30 days

Members with annual contracts with Qianhe may wish to consider contracting with an alternative SPRO. In this regard, unless they are in a position to give Qianhe the contractual 30 days' notice, they should first contact Qianhe to ascertain whether they are in a position to respond. If there is conclusive evidence that they are not, there may be a right to suspend or terminate the Qianhe contract and enter into an agreement with another SPRO straightaway, in order to mitigate the risk of non-compliance with PRC regulations and failure of Qianhe SPROs to respond. This will depend on the terms of individual Members' contracts with Qianhe and we suggest that Members take PRC legal advice in that regard. Members may also contact the Club for assistance.

For Members whose vessels have no schedule to call at any Chinese ports within the next 30 days

However, Members that do not have vessels calling within the next 30 days should be in a position to give Qianhe the contractual 30 days' notice, and may wish to consider terminating their contracts with Qianhe in accordance with Article 5 of the Agreement and give Qianhe 30 days' notice of termination, with a view to then signing with another SPRO in port and such contracts becoming effective from the date of termination of the Qianhe contracts.

Members who have not contracted with Qianhe SPROs, their consortium or their agencies are not recommended to do so by the Club, given the uncertainty regarding the ability of Qianhe to respond.

Further advice will be provided by Clubs when PRC authorities provide a clear position. In the meantime, we will keep Members updated with any further developments.

Should Members have any queries regarding the Qianhe problems, they should contact the Club.

Yours faithfully,

The Japan Ship Owners' Mutual Protection & Indemnity Association