JAPAN P&I NEWS

No.875-17/02/10

To the Members

Dear Sirs,

<u>China – Abolition of the Sludge and Garbage Disposal Requirement</u> on Ocean Vessels before Departure

The Association has received the attached circular from Huatai Insurance Agency & Consultant Service Ltd., our correspondent in China, on the abolition of the sludge and garbage disposal requirement on ocean vessels before departure from Chinese ports.

The Ministry of Transportation of China has issued a formal notice that as from 13 December 2016 sludge and garbage disposal is no longer mandatory to ocean vessels before they leave Chinese ports, including all the ports within Bohai area.

The summary of the timeline of the relevant regulation change appears in the attached circular.

Yours faithfully,

The Japan Ship Owners' Mutual Protection & Indemnity Association

Attachment: Circular issued by Huatai Insurance Agency & Consultant Service Ltd.

Circular Ref No.: PNI 1702

Date: 9 February 2017

Dear Sirs or Madam,

Subject: Ministry of Transportation of China Abolished the Sludge and Garbage Disposal Requirement on Ocean Vessels before Departure from Chinese Ports as of 13 Dec 2016

Ministry of Transportation ("MOT") of China issued a formal notice on their revision decision(No. 83 MOT Order 2016) of Provisions of Peoples' Republic of China on Administration of Prevention of Marine Environmental Pollution Caused by Ships and Their Related Operating Activities, which came into effect on 13 Dec 2016. One of the revisions made to the above regulation is that sludge and garbage disposal would no longer be mandatory to ocean vessels before they leave Chinese ports, including all the ports within Bohai area.

For ship owners' easy reference and understanding, we summarize the timeline of regulation change in this respect as follows:

• 01 Feb 2011

Provisions of Peoples' Republic of China on Administration of Prevention of Marine Environmental Pollution Caused by Ships and Their Related Operating Activities(No.7, MOT Order 2010), which came into effect on 01 Feb 2011, provided that international navigating vessels shall dispose of the pollutants on board before departing from a Chinese port. Vessels are required to present a valid pollutant disposal certificate to MSA when going through port departure formalities.

• 01 Oct 2013

In 2013, China MSA issued a notice [2013 No.593] on the abolishment and suspension of some related fee items and regulations, in which it was decided that vessels are allowed to choose their port of convenience to dispose of the pollutants, in order to avoid vessels having to dispose of the

pollutants and pay relevant costs repeatedly when calling more than one Chinese port in one voyage. However, such arrangement didn't apply to ports within Bohai Bay, where vessels were still required to dispose of the sludge and garbage on board before departure.

• 13 Dec 2016

As mentioned in the beginning of the circular, MOT issued a formal notice in end of 2016 wherein the sludge and garbage disposal requirement on ocean vessels were completed abolished.

Hope the above is of assistance. If you have any query, please feel free to contact us at pni.bj@huatai-serv.com.

Best regards,

Cui Jiyu

Vice President