JAPAN P&I NEWS

No.935-17/12/11

To the Members

Dear Sirs,

<u>China – Hainan MSA Enhances Inpection on Ship Pollution Control</u> in Hainan Province as from 3 November 2017 to 3 December 2018

We have obtained the following information from Huatai Insurance Agency & Consultant Services Ltd., our correspondent in Beijing, China.

On 3 November 2017, Hainan MSA issued a Notice on Implementation Scheme of Ship Pollution Control to enhance the supervision and management of prevention and control of ship pollution in the area of Hainan province, including the coastal ports of Yangpu, Haikou, Sanya and Basuo as well as the Qiongzhou Strait. The scheme is effective from 3 November 2017 to 3 December 2018.

We hereby summarise key points of the notice as below for your kind reference.

1. The inspection on fuel oil quality of calling ships will be reinforced, with focus on inspecting whether the oil record book is recorded normatively, whether the fuel oil supply record and fuel oil sample are kept integrally and whether the index on the fuel oil supply record meets the relevant requirement. The fuel oil used by international navigation ship should be in line with the requirement under Annex VI of "MARPOL 73/78", whilst the fuel oil used by domestic navigation ship should conform to the requirement of "GB 17411-2015".

The sampling inspection will be carried out for the fuel sample taken from calling ship or the oil supplying company randomly. The ratio of sampling inspection will be determined by the situation of the area covered by respective MSA substations. Ship which is found fumed with black smoke, fails to record the oil record book or fails to keep the fuel oil supply document or oil sample during routine patrol or inspection will be treated as key inspection object.

Ships using fuel oil that doesn't meet relevant standard, failing to record the relevant documents as required, failing to keep the fuel oil supply documents or samples, failing to take effective alternative measures, discharging excessive air pollutant or having other irregularity action are subject to warning, correction of breaches, detention or other punishment according to the "Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution", "Regulation on the Prevention and Control of Vessel-induced Pollution to the Marine Environment" and relevant regulations in light of the seriousness of the case.

2. Each MSA substation is required to supervise and inspect ships to which the "Convention

for the Control and Management of International Ship Ballast Water and Its Sediments" applies,

mainly on whether the ship holds effective International Ballast Water Management Certificate,

BWMP and BWR. The inspection will focus on whether the ship or its equipment meets the

requirement of the International Ballast Water Management Certificate and BWMP, whether the

BWR reflects the ship's disposal of the ballast water correctly, whether the designated

crewmember is familiar with the basic procedure, relevant operation and requirement of

equipment, and whether the ship disposes and discharges ballast water according to relevant

requirement.

Given the above, owners are suggested to pay attention to the above requirement when calling

the coastal ports of Hainan Province as well as when passing through the Qiongzhou Strait from

3 November 2017 to 3 December 2018 to ensure satisfaction of relevant requirement in order to

avoid any delay or penalty to the ship. Meanwhile, owners are also recommended to double

check with local agent on special requirement before ship's calling during the aforementioned

period.

For details, please our below free-translation of the Notice for your easy reference.

The Japan Ship Owners' Mutual Protection & Indemnity Association

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Correspondent's Circular with his free translation of "Hainan Maritime Safety Administration

document No.QHWF [2017]10"

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Circular Ref No.:PNI1713

Date: 30 November 2017

Dear Sir or Madam,

Subject: Hainan MSA Enhances Inspection on Ship Pollution Control in Hainan Province as from Nov 03, 2017 to Dec 03, 2018

On Nov 3, 2017, Hainan MSA issued a Notice on Implementation Scheme of Ship Pollution Control to enhance the supervision and management of prevention and control of ship pollution in the area of Hainan province, including the coastal ports of Yangpu, Haikou, Sanya and Basuo as well as the Qiongzhou strait. The scheme is effective from Nov 3, 2017 to Dec 3, 2018. We hereby summarize key points of the notice as below for your kind reference.

1. The inspection on fuel oil quality of calling ships will be reinforced, with focus on inspecting whether the oil record book is recorded normatively, whether the fuel oil supply record and fuel oil sample is kept integrally and whether the index on the fuel oil supply record meets the relevant requirement. The fuel oil used by international navigation ship should in line with the requirement under Annex VI of "MARPOL 73/78" whilst the fuel oil used by domestic navigation ship should conform with the requirement of "GB 17411-2015".

The sampling inspection will be carried out for the fuel sample taken from calling ship or the oil supplying company randomly. The ratio of sampling inspection will be determined by the situation of the area covered by respective MSA substation. Ship which found fumed with black smoke, failed to record the oil record book or failed to keep the fuel oil supply document or oil sample during routine patrol or inspection, will be treated as key inspection object.

Ships using fuel oil that doesn't meet relevant standard, failing to record the relevant documents as required, failing to keep the fuel oil supply documents or samples, failing to take effective alternative measures, discharging excessive air pollutant or having other irregularity action are subject to warning, correction of breaches, detention or other punishment according to the "Law of

the People's Republic of China on the Prevention and Control of Atmospheric Pollution", "Regulation on the Prevention and Control of Vessel-induced Pollution to the Marine Environment" and relevant regulations in light of the seriousness of the case.

2. Each MSA substation is required to supervise and inspect ships to which the "Convention for the Control and Management of International Ship Ballast Water and Its Sediments" applies, mainly on whether the ship holds effective International Ballast Water Management Certificate, BWMP and BWR. The inspection will focus on whether the ship or its equipment meets the requirement of the International Ballast Water Management Certificate and BWMP, whether the BWR reflects the ship's disposal of the ballast water correctly, whether the designated crewmember is familiar with the basic procedure, relevant operation and requirement of equipment, and whether the ship disposes and discharges ballast water according to relevant requirement.

Given the above, owners are suggested to pay attention to the above requirement when calling the coastal ports of Hainan province as well as when passing through the Qiongzhou strait from Nov 03, 2017 to Dec 3, 2018 to ensure satisfaction of relevant requirement in order to avoid any delay or penalty to the ship. Meanwhile, owners are also recommended to double check with local agent on special requirement before ship's calling during the aforementioned period.

For details, please our below free-translation of the Notice for your easy reference.

Hope the above is of assistance. Any query, please contact our Xiamen office directly as per below contacts:

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Best regards,

Cui Jiyu

Vice President

Hainan Maritime Safety Administration document No. QHWF[2017]10

Notice on Implementation Scheme of Ship Pollution Control by Hainan MSA

This scheme is formulated with a view to fully implement Decision issued by Hainan Provincial Party Committee and enhance the supervision and administration on prevention of ship pollution.

I. General requirement

Implement the "Decision of Hainan Provincial Party committee Regarding Enhancement of the Construction of Ecological Civilization", greatly promote the construction of ecological civilization, actively push forward the prevention and control of water and air pollution, vigorously advance the green shipping development and strictly control on calling ship's pollution, reinforce the environmental governance of ships and the relevant operation polluted water, focus on reducing the quantity of discharging pollutant and enhancement of disposal of pollutant, plan the prevention and control on shore and off shore as a whole, complete the mechanism of regional cooperation, strictly protect the marine environment, help the green, circulation, low carbon and sustainable development of local economic.

II. Leadership and Management

To enhance ship pollution control, Hainan MSA has established a leading group of ship pollution control work. The leading group and office member includes:

Group leader: Chen Xiandi

Member: Li Tao, Zhou Rongzhong, Weng Jiancai, Zeng Jingfeng, Chen Hanbing, Tang Bozheng, Zou Xianzhi

Office Member: Huang Kaiwei, Cai Lina, Yu Xiaoping

III. Effective period

This scheme is effective from Nov 3, 2017 to Dec 3, 2018.

IV. Work Description

1. Enhance the control of air pollutant discharged from ship

The inspection on fuel oil quality of calling ships will be reinforced, with focus on inspecting whether the oil record book is recorded normatively, whether the fuel oil supply record and fuel oil sample is kept integrally and whether the index on the fuel oil supply record meets the relevant requirement. The fuel oil used by international navigation ship should in line with the requirement under Annex VI of "MARPOL 73/78" whilst the fuel oil used by domestic navigation ship should conform with the requirement of "GB 17411-2015".

The fuel sample taken onboard the calling ship and oil supplying company under each administration jurisdiction will be tested randomly, the ratio of sample test will be determined by the situation of the areas covered by respective MSA substation. The sampling inspection is focused on the oil supplying company under each administration jurisdiction. Ship which found fumed with black smoke, failed to record the oil record book or failed to keep the fuel oil supply document or oil sample during routine patrol or inspection, will be treated as key inspection object.

If fuel oil supplied by oil supplying company failed to meet the relevant requirement during the inspection, the situation will be notified to administration department of quality supervision and management. An interview shall be conducted between local authorities and oil supplying company subject to specific situation.

Ships using fuel oil that doesn't meet relevant standard, failing to record the relevant documents as required, failing to keep the fuel oil supply documents or samples, failing to take effective alternative measures, discharging excessive air pollutant or having other irregularity action are subject to warning, correction of breaches, detention or other punishment according to the "Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution", "Regulation on the Prevention and Control of Vessel-induced Pollution to the Marine Environment" and relevant regulations in light of the seriousness of the case.

- 2. Reinforce the coordination and cooperation, greatly advanced the prevention and control on ship pollution
- 2.1 Fully implement the double draft system on supervision of receiving, transportation, disposal of ship's pollutant.

Given the implementation experience of double draft system in relation with supervision of receiving, transportation, disposal of the ship's pollutant in Haikou and Sanya city, the double draft system operated in other main coastal port in Hainan Province will be push forward actively. Fully implement of this system in every main port in Hainan Province in order to attain the closed loop management of receiving, transportation and disposal of ship pollutant and to prevent the pollutant gone missing or secondary pollution occurred.

2.2. Enhance the supervision and capability of receiving ship pollutant

Continuously enhance the supervision on pollutant receiving company and their operation. Each MSA substation should strictly require the ship pollutant receiving company under their jurisdiction to report the receiving and disposal situation of the ship pollutant every month. On site supervision and inspection on ship pollutant receiving company should be carried out at least twice every year. The inspection should focus on the disposal and whereabouts of pollutant and the ship pollutant receiving company should provide written evidence to prove that the disposal of the pollutant is in line with JTT673-2006.

Regarding the new built terminal, each MSA substation should initiatively pay close attention to the construction of receiving capacity of ship pollutant, push the transportation administration department to take evaluation of the receiving capacity of the ship pollutant during acceptance inspection, supervise and urge the terminal to consummate the receiving capacity of ship pollutant.

2.3 Advanced renovation and decommission of the old ship and single-hull oil tankers

Phasing out the old ships strictly according to relevant regulation, mandatorily scrap the ships which beyond its service life. Continuously implement the renovation and decommission of the old ship and single-hull oil tankers. Enhance the supervision and inspection on the safety of old ship and prohibit the registration of old ships over its service life which described by "Management Regulation of Old Transportation Ship". Registration of ships with deadweight ton over 600mt which not conform with the regulation under "The Announcement on Phasing Out the Domestic Single Hull Tankers" (NO.52 of 2009) are prohibited. The domestic navigation tankers are not allowed to enter into the area under administration jurisdiction for lightening operation. The situation should be reported to Hainan MSA and handled by local MSA in accordance with relevant regulations if the violation of above requirement was found.

3. Perform the requirements under "Convention for the Control and Management of International Ship Ballast Water and Its Sediments" gradually

The "Convention for the Control and Management of International Ship Ballast Water and Its Sediments" has come into force on Sep 8, 2017. The new built ships on and after Sep 8, 2017 should conform with D-2 standard (Biological and sanitary standards for ballast water treatment) from the date of delivery. Ships built before Sep 8, 2017 should in line with D-2 standard on Sep 8, 2019 or the first renewal of IOPP Certificate after Sep 8, 2017.

Each MSA substation should supervise and inspect the ships to which the convention applies, and mainly inspect whether the ship holds effective International Ballast Water Management Certificate, BWMP and BWR. The inspection should emphasize on whether ship or its equipment meets the requirement of the International Ballast Water Management Certificate and BWMP, whether the BWR truthfully reflects the disposal of the ballast water of the ship, whether the designated crewmember is familiar with the basic procedure, relevant operation and requirement of equipment, and whether the ship disposes and discharges ballast water according to relevant requirement.

4. Enhance the supervision on ship pollution prevention operation in the course and afterwards

The new version of "Marine Environmental Protection Law of the People's Republic of China", "Regulation on the Prevention and Control of Vessel-induced Pollution to the Marine Environment", "Regulations on the Prevention and Control of Marine Environmental Pollution by Vessels and Related Activities" and "Regulations on the Management of Marine Environmental Emergency Preparedness and Emergency Management" has abolished some administrative examination and approval of ship pollution prevention matters. Each MSA substation should implement the follow-up work after abolishment, reinforce the supervision on ship pollution prevention operation in the course and afterwards and supervise and urge the ships and relevant operating company to fulfill the work safety responsibility and operating in accordance with relevant regulations and laws strictly. Each MSA substation should establish and standardize reporting system in relation with ship pollution prevention operation.

- 5. Publicizing and implementation of policies and regulations(Omitted)
- V. Requirement (Omitted)

Hainan MSA

Date: Nov 3, 2017.