JAPAN P&I NEWS

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To the Members

Dear Sirs,

China – Administrative penalty imposed to ships

that fail to sign SPRO agreement when calling Chinese ports

We have obtained the following information from Huatai Insurance Agency & Consultant

Service Ltd., our correspondent in Beijing:

In recent days, we have heard and encountered some cases of ships failing to sign SPRO

agreement when calling Chinese ports, bringing about administrative penalty to the owners.

To alert the owners with the current situation here, we have prepared this circular.

According to Article 33 under Regulation on the Prevention and Control of Vessel-induced

Pollution to the Marine Environment ("Regulations" hereafter), for the vessels carrying bulk

liquid cargoes with hazardous pollutants and other vessels with a gross tonnage of 10,000 tons

or more, the owners thereof shall, before conducting operations or entering or exiting ports,

conclude an agreement on pollution clean-up operations with the entities having obtained the

qualifications for pollution clean-up operations, which shall specify the rights and obligations of

pollution clean-up of both parties in case of any vessel-induced pollution accident occurs. A

fine from RMB10,000 to RMB50,000 shall be imposed by local MSA to the owners that are in

violation of the above requirement.

So far as we know, the onboard inspection to SPRO agreement by local MSA is conducted

randomly in conjunction with other inspections. As a SPRO agreement is compulsory at most

of Chinese ports, the owners are highly recommended to check with local agents or us in

advance and sign SPRO agreement in time. A copy of the signed agreement should be sent to

the ships for record and for local MSA's spot check in order to avoid any delay and penalty to

the owners.

Yours faithfully,

The Japan Ship Owners' Mutual Protection & Indemnity Association

IG & Reinsurance Group, Underwriting Administration Department

Tel: +81 3 3662 7214 Fax: +81 3 3662 7107

E-mail: ri-dpt@piclub.or.jp Website: https://www.piclub.or.jp