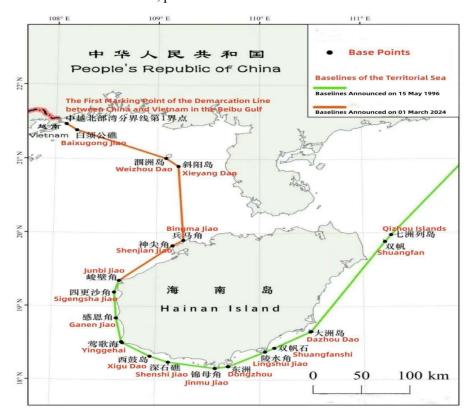


JAPAN P&I NEWS

To the Members

China—The government announces the baselines of the territorial sea adjacent to the north part of the Beibu Gulf

We have received the information regarding the subject matter from the local correspondent Huatai Insurance Agency & Consultant Service Ltd. For more details, please find the attached circular.



This announcement of the baselines of the territorial sea adjacent to the north part of the Beibu Gulf provides a law enforcement basis for the Maritime Safety Administration (MSA) to investigate and penalize the illegal discharge of water pollutants into the sea by ships. Also, the scope of corresponding territorial sea has been determined accordingly.

To avoid penalties for non-compliance, we advise our Members to ensure that ships are far enough from the nearest baseline of the territorial sea when discharging water pollutants to meet the requirements of international treaties and other relevant standards. In addition, ships of foreign nationality entering the territorial sea of the People's Republic of China should maintain close contact with local agents and promptly report to MSA in accordance with "Maritime Traffic Safety Law of the People's Republic of China".

Yours faithfully,

The Japan Ship Owners' Mutual Protection & Indemnity Association

Attachment: Huatai Circular No. PNI [2024] 03

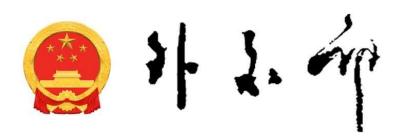




www.huataimarine.com pni.bj@huatai-serv.com Duty Phone: +86 13701125026

PNI [2024] 03

22 March 2024



中华人民共和国政府关于北部湾北部领海基线的声明

The Government of the People's Republic of China Announces the Baselines of the Territorial Sea Adjacent to the North Part of the Beibu Gulf

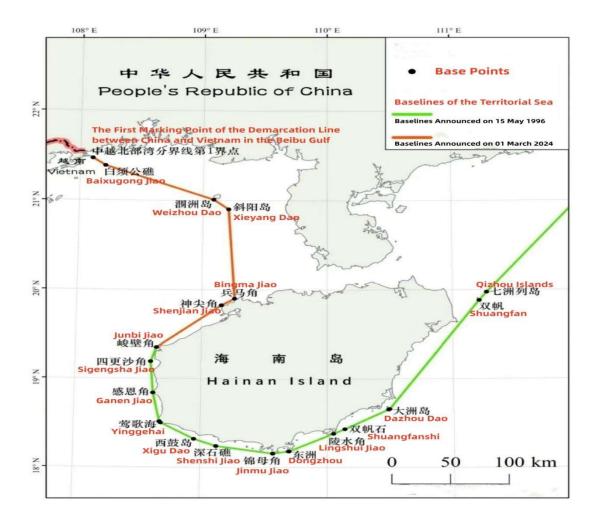
Dear Sir/Madam,

On March 01, 2024, the government of the People's Republic of China issued a statement announcing the baselines of the territorial sea adjacent to the north part of the Beibu Gulf.

The Coordinates of the Base Points

In accordance with the "Law of the People's Republic of China on the Territorial Sea and the Contiguous Zone" promulgated on February 25, 1992, the Government of the People's Republic of China announces the baselines of the territorial sea adjacent to the north part of the Beibu Gulf of the People's Republic of China.

The baselines of the territorial sea adjacent to the north part of the Beibu Gulf are composed of the straight lines joining the adjacent base points as listed below:



- 1. Junbi Jiao 19°21.1′ N , 108°38.6′ E
- 2. Shenjian Jiao 19°49.6′ N , 109°09.5′ E

- 3. Bingma Jiao 19°54.1′ N , 109°15.7′ E
- 4. Xieyang Dao 20°54.2′ N , 109°12.4′ E
- 5. Weizhou Dao 21°00.6' N , 109°05.2' E
- 6. Baixugong Jiao 21°23.3′ N , 108°12.3′ E
- 7. The first marking point of the demarcation line between China and Vietnam in the Beibu Gulf 21°28′12.5′′ N , 108°06′04.3′′ E

The Basis of the Delimitation of the Baselines

In accordance with the domestic law, international law and bilateral agreements such as the "Law of the People's Republic of China on the Territorial Sea and the Contiguous Zone", "United Nations Convention on the Law of the Sea" and "Agreement between the People's Republic of China and the Socialist Republic of Vietnam on the Delimitation of the Territorial Sea, the Exclusive Economic Zone and the Continental Shelf of the Beibu Gulf" (hereinafter referred to as the "Agreement") which is countersigned by the People's Republic of China and the Socialist Republic of Vietnam, the government of the People's Republic of China announces the baselines of the territorial sea adjacent to the north part of the Beibu Gulf. Among the 7 base points announced this time, "Junbi Jiao" is the base point announced in 1996, whereas the base point of " The first marking point of the demarcation line between China and Vietnam in the Beibu Gulf" is determined in accordance with the "Agreement", the remaining 5 base points are selected from the islands and coastal overhangs on the northern outer edge of the Beibu Gulf in accordance with the provisions of the "United Nations Convention on the Law of the Sea". The baselines of the territorial sea announced this time are connected with the southwestern end of the baselines of the territorial sea announced by the Chinese government in 1996, filling the blank of the baselines of the territorial sea in the northern water area of the Beibu Gulf (as shown in the above figure).

Impact on Ships

1. Discharge of Water Pollutants from Ships

The MARPOL Convention has made corresponding provisions for the discharge of various water pollutants from ships, requiring that ships must meet certain conditions before they could legally discharge the water pollutants into the sea. One of such conditions is the distance between the position of the ship at the time of discharge and the "nearest land" which in most cases, is usually the baseline of the territorial sea. Therefore, in this sense, the announcement of the baselines of the territorial sea adjacent to the north part of the Beibu Gulf provides a law enforcement basis for the Maritime Safety Administration to investigate and penalize the illegal discharge of water pollutants by ships in this water area. In addition, with the enforcement of the new "Marine Environmental Protection Law of the People's Republic of China", the MSA will implement more stringent punishment measures against the ships illegally discharge water pollutants into the sea.

2. Reporting Requirements for Ships of Foreign Nationality Entering the Territorial Sea of the People's Republic of China

With the announcement of the baselines of the territorial sea adjacent to the north part of the Beibu Gulf, the scope of corresponding territorial sea has been determined accordingly. In accordance with the "Maritime Traffic Safety Law of the People's Republic of China", ships of foreign nationality entering the territorial sea of the People's Republic of China shall submit report to China MSA, otherwise the MSA will impose administrative penalties on the ships violating the law.

Our Suggestions

To avoid administrative penalties on ships for non-compliance with applicable

conventions, regulations or standards, it is recommended that:

When discharging water pollutants (such as oily wastewater, wastewater containing

noxious and harmful liquid substances, sewage, garbage, etc.) in this water area and

its adjacent waters, ships shall ensure that the distance between the position of the

ship at the time of discharge and the nearest baseline of the territorial sea meets the

requirements of international treaties concluded or acceded to by the People's

Republic of China as well as other relevant standards. In addition, ships of foreign

nationality entering the territorial sea of the People's Republic of China, including the

territorial sea adjacent to the north part of the Beibu Gulf determined on the basis of

the baselines announced this time, to which Article 54 of the Maritime Traffic Safety

Law of the People's Republic of China applies, shall maintain close contact with their

agents and promptly report to MSA in accordance with the applicable regulations.

Should you have any inquiries, please feel free to contact Huatai Beijing

(pni.bj@huatai-serv.com) or our local branch offices.

Best regards,

CUI Jiyu

Head of Marine Team

Reference Materials:

Related Chinese Laws and Regulations

Regulation on the Prevention and Control of Vessel-induced Pollution to the Marine Environment

Article 15 The vessel garbage, sewage, oily waste water, waste water containing toxic and hazardous substances, waste gas and other pollutants and ballast water discharged by vessels to the ocean within the sea areas of the People's Republic of China shall meet the requirements of the laws, administrative regulations, the international treaties concluded or acceded to by the People's Republic of China, and other relevant standards.

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Marine Environmental Protection Law of the People's Republic of China

Article 79 In the sea areas under the jurisdiction of the People's Republic of China, no vessels and their related operations may illegally discharge into the sea vessel's garbage, sewage, oily wastewater, wastewater containing a toxic and harmful substance, exhaust gas, or any other pollutant, waste, ballast water, sediment, or other harmful substance.

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Article 93 In the case of any of the following acts in violation of the provisions of this Law, the department or agency empowered by this Law to conduct marine environment supervision and control shall order the violator to take corrective action or take such measures as restricting production or suspending production for rectification, and impose a fine thereon. If the circumstances are serious, the violator shall be ordered to stop operations or be closed down with the approval of the

competent people's government:

- (1) Discharging into any sea area any pollutants or any other substances the discharge of which is prohibited by this Law.
- (2) Discharging pollutants without obtaining a pollutant discharge permit in accordance with the law.
- (3) Discharging pollutants exceeding standards and total quantity control indicators.
- (4) Illegally discharging pollutants into the sea by laying a hidden pipeline without permission, tampering with or forging monitoring data, improperly operating a pollution prevention and control facility, or otherwise circumventing regulation.
- (5) Violating the provisions of this Law on the discharge and management of vessel's ballast water and sediments.
- (6) Otherwise failing to discharge pollutants or wastes into the sea in accordance with this Law.

Any of the acts in sub-paragraphs (1) and (2) of the preceding paragraph is punishable by a fine of not less than 200,000 yuan nor more than 1 million yuan; the act in sub-paragraph (3) of the preceding paragraph is punishable by a fine of not less than 100,000 yuan nor more than 1 million yuan; the act in sub-paragraph (4) of the preceding paragraph is punishable by a fine of not less than 100,000 yuan nor more than 1 million yuan and if the circumstances are serious, revocation of the pollutant discharge permit; any of the acts in sub-paragraphs (5) and (6) of the preceding paragraph is punishable by a fine of not less than 10,000 yuan nor more than 200,000 yuan. An individual who discards, places, and treats municipal solid waste on a beach without authorization is liable to a fine of not less than 100 yuan nor more than 1,000

yuan for each violation.

The Maritime Traffic Safety Law of the People's Republic of China

Article 54 The following vessels of foreign nationality entering or exiting the territorial

sea of China shall report to the maritime safety administration:

(1) Submersibles.

(2) Nuclear-powered vessels.

(3) Vessels carrying radioactive materials or other toxic and hazardous substances.

(4) Other vessels that may endanger the maritime traffic safety of China as prescribed

by laws, administrative regulations or the State Council.

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Article 55 A vessel of foreign nationality may not enter the internal waters of China

unless it has obtained permission for entering a port in accordance with the provisions

of this Law;

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Article 107 Where a vessel of foreign nationality enters or exits the internal waters or

territorial sea of China in violation of the provisions of this Law, the maritime safety

administration shall impose a fine of not less than 50,000 yuan nor more than 500,000

yuan upon the owner, operator or manager of the vessel in violation of the law, and

impose a fine of not less than 10,000 yuan nor more than 30,000 yuan upon the

masters.