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**Date: 21 June 2024**

**Oasis Circular No.: 2406**

**Subject: Administrative penalties frequently imposed by local maritime authorities in China recently**

We have seen an increasing number of administrative penalties that were imposed on ships, owners and the responsible crew members by local maritime authorities due to violation of local laws, regulations or international conventions. In many ports, drones have been used to monitor the operation of ships in the port area, and any illegal activities will be recorded and investigated accordingly.

A summary of the most commonly seen penalties and possible range of penalty amount is given below for your guidance only in the hope of helping our clients to be compliant and to avoid penalties and delays.

- **Illegally discharging domestic sewage, food waste or cargo residues into the sea.**
- **Illegally discharging cargo residue due to ballast water overflow.**

**Penalty:**

- a) A fine of between CNY10,000 and CNY1,000,000, depending on the type and amount of the waste that has been illegally discharged.
- b) For violations that occurred before 01 Jan 2024, the old version of *Marine Environment Protection Law of P.R.C.* is applicable and the amount of penalty may be lower than the above.

**Special note:**

- a) Chinese authorities interpret the "nearest land" under MARPOL convention in China to be the *baseline* of territorial sea published by the Chinese government, instead of the *physical nearest land*. Therefore, the nearest distance permitted for discharge of domestic sewage, food waste, cargo residue, wash water, and

ballast water shall be calculated from the baselines of the territorial sea published by the Chinese government.

- b) The Bohai sea is surrounded by land on three sides, and faces the sea on one side connecting Yellow sea through Bohai Straits. The Bohai Sea is the inland sea of China and the discharge of untreated domestic sewage, food waste, cargo residue, and wash water is strictly prohibited there. We have seen frequent cases of administrative penalties in this respect.

- **Failure to truthfully record and preserve the discharge and operation of ship pollutants.**

**Penalty:**

A fine of not exceeding CNY100,000.

- **Failure to get approval from MSA in advance before discharging ballast water.**

**Penalty:**

A fine of not exceeding CNY20,000.

- **Ships that are not equipped with domestic sewage storage tank discharge treated domestic sewage into the river via the domestic sewage treatment device whilst alongside in the Yangtze River**

**Penalty:**

A fine of between CNY20,000 and CNY30,000.

- **Ships are flying the damaged and/or polluted flag of P.R.C.**  
➤ **Ships are flying the flag of P.R.C. with incorrect size.**  
➤ **Ships are flying the flag of P.R.C. upside down.**

**Penalty:**

a) A fine of between CNY20,000 and CNY200,000.

- b) Relevant liable person: a fine of between CNY2,000 and CNY20,000 and may subject to suspension or revocation of the certificates of competency as well.

- **Failure to display the signal flags properly.**

**Penalty:**

- a) A fine of between CNY20,000 and CNY200,000.
- b) Relevant liable person: a fine of between CNY2,000 and CNY20,000 and may be subject to suspension or revocation of the certificates of competency as well.

➤ **Flag “B” is not displayed when ships are discharging dangerous goods.**

**Penalty:**

- a) A fine of between CNY20,000 and CNY200,000.
- b) Relevant liable person: a fine of between CNY2,000 and CNY20,000 and may subject to suspension or revocation of the certificates of competency as well.

➤ **Ships are found emitting visible black smoke in waters along the Yangtze River.**

**Penalty:**

A fine of between CNY1,000 and CNY50,000.

➤ **Failure to maintain safe speed, and/or failure to strengthen the lookout, and/or failure to comply with the special navigation rules within the areas when ships enter or leave ports, anchorages or pass through bridge waters, straits, narrow waterways, important fishery waters, areas with dense concentrations of navigable ships, ship’s routing zones, traffic control zones.**

**Penalty:**

- a) A fine of between CNY20,000 and CNY200,000.
- b) Relevant liable person: a fine of between CNY2,000 and CNY20,000 and may subject to suspension or revocation of the certificates of competency as well.

The above listed types of administrative penalty are not exhaustive, and it is worth mentioning that ships may be subject to administrative penalties in the event of a navigation accident or oil spillage.

We hope the above is of assistance. If there is any query, please feel free to contact us at [oasis@oasispandi.com](mailto:oasis@oasispandi.com) any time.

Best regards,

**Oasis P&I Services Company Limited**