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Oasis Circular No.: 1906

Subject: China MSA announces their *Implementation Plan of 2020 Global Marine Fuel Oil Sulphur Limits* on 23 October 2019

I. General information

In order to effectively implement the IMO's global regulations on the limits of the sulphur content of marine fuel oil, China MSA announced the *Implementation Plan of 2020 Global Marine Fuel Oil Sulphur Limits* (hereinafter referred to as "The Plan") on 23 October 2019. The Plan specifies the requirements on the ships' use and carriage of fuel oil as well as alternative measures, reporting of information about the ships' use and carriage of fuel oil, disposal of ships' non-compliant fuel oil, prior registration of bunker suppliers, as well as MSA's supervision and administrative measures, etc. The Plan also includes the format of the *Fuel Oil Non-Availability Report* (Hereinafter referred to as "FONAR").

II. Requirements applicable to foreign ships

According to the Plan, the specific requirements applicable to foreign ships include:

Using and carrying of fuel oil as well as alternative measures

1. From 01 January 2020, international trading ships (Hereinafter referred to as "ships") entering Chinese waters shall use fuel oil with a sulphur content not exceeding 0.50% m/m (Hereinafter referred to as "Compliant Fuel Oil"). "Fuel oil" in this Plan refers to the oil that is delivered to the ship to combust for propulsion or operation, including both distillate fuel oil and residual fuel oil.

2. From 01 January 2020, ships entering the inland rivers of the Chinese Emission Control Area (ECA) shall use fuel oil with a sulphur content not exceeding 0.10% m/m. From 01 January 2022, ship entering the Hainan waters of the Chinese ECA shall use fuel oil with a sulphur content not exceeding 0.10% m/m.

3. From 01 March 2020, ships entering Chinese waters shall not carry self-use fuel oil with sulphur content exceeding 0.50% m/m (hereinafter referred to as Non-compliant fuel oil).

4. If the alternative measures adopted by ships meet with the equivalent requirements set out in Article 4 of the Annex VI of the *International Convention for the Prevention of Pollution from Ships* (MARPOL), the above 3 requirements may be exempted. The above “alternative measures” refer to the measures used by the ship to adopt any device, equipment or alternative fuel oil to enable the ship to achieve the same or better atmospheric pollution reduction effects as specified. From 01 January 2020, ships shall not discharge effluent from the exhaust gas cleaning system (EGCS) with open loop systems in the Chinese ECA.

Reporting of information about ships’ use and carriage of fuel oil

5. From 01 January 2020, if a foreign ship is unable to obtain compliant fuel oil so that she has to use or carry non-compliant fuel oil, she shall submit the FONAR to the local MSA before she enters Chinese waters if her next port is a Chinese port.

Disposal of ships’ non-compliant fuel oil

6. From 01 March 2020, if the ship carries non-compliant fuel oil in Chinese waters in breach of relevant requirements, in line with IMO’s *Port State Control Guide on Emergency Measures for Resolving Non-Compliant Fuels* (MEPC.1/Circ.881), the ship can either discharge the non-compliant fuel oil, or under MSA’s approval, retain non-compliant fuel oil on board after the ship provides MSA with a commitment not to use the non-compliant fuel oil in Chinese waters.

7. If the ship decides to discharge the non-compliant fuel oil, she shall comply with the relevant provisions on the bunker supplying and receiving operation in the *Regulations on the Prevention and Control of ship and related working activities’ pollution to Marine Environment of the P.R.C.* and the *Regulations on the Environmental Management of Ships*

Polluting Inland Waters of the P. R. C., report the operation to the local MSA and implement the necessary safety and pollution prevention measures.

III. MSA's supervision

Local MSA offices will carry out a site inspection including taking fuel oil samples to test whether the fuel oil is compliant. MSA will also verify the completeness and truthfulness of the submitted FONAR.

IV. Our suggestions

1. Ships shall use the required low sulphur fuel oil or adopt the alternative measures when entering Chinese waters (including inland rivers) in line with the required timeline.
2. In case the required low sulphur fuel oil onboard might be insufficient after the ship arrives at the port, owners are advised to check the capacity of local bunker suppliers in advance.
3. In cases where the required low sulphur fuel oil or alternative measures might not be available before or after the ship enters Chinese waters, the ship should submit the FONAR to the MSA in advance.

Should you have any query or require assistance, please feel free to contact us at:
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Best regards,

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