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**Ship Owners' Appropriate Solutions to Address the Non-compliant Fuel Oil on Board
after March 1st, 2020.**

Dear Sirs or Madam,

In October 2018, MEPC, at its 73rd session, approved an amendment to MARPOL annex VI by resolution MEPC.305 (73), amending article 14.1 to require that “the sulfur content of fuel oil used or carried on board for use shall not exceed 0.50% m/m”. The requirement, which has come into effect on 1 March 2020, prohibited the carrying of non-compliant fuel oil for the purpose of ship propulsion or ship operating equipment unless the ship adopts an alternative method (exhaust gas cleaning system, “EGCS” hereinafter).

In order to effectively implement the IMO global regulations on sulphur cap, China MSA formulates the “Implementation Scheme of 2020 Global Marine Fuel Oil Sulphur Cap” (Hereinafter referred to as “the Scheme”). During the implementation of the Scheme, due to various reasons, for example, delay in the installation of EGCS plan by the shipyard, or EGCS malfunction, etc., some ships may still carry or use non-compliant fuel oil. To address this difficult situation and avoid unnecessary problem for shipowners, we made inquiries with China MSA, and

would provide our well-directed comment on countermeasures under below three circumstances (the ships without EGCS, the ships planned to install EGCS and EGCS malfunction).

I. Ships without EGCS and No Installation Plan Fixed

As per our update from local offices, most ships who didn't install EGCS onboard and no plan to install EGCS are supplied with compliant fuel oil. However, a few ships who are scheduled to call a Chinese port may still have non-compliant fuel onboard.

According to Article 9 of the Scheme, the Guidance for PSC on Contingency Measures for Addressing Non-compliant Fuel Oil shall be complied with from 1st March 2020, where the ships of international voyages carrying non-compliant fuel in the waters under jurisdiction of China shall discharge non-compliant fuel oil, or keep the non-compliant fuel oil on board with a commitment letter of not using it in the waters under jurisdiction of China, with the consent of the maritime authority of the port.

To comply with the requirements by the MSA, we suggest shipowners to take the following cause of action if their vessel carries non-compliant fuel oil on board after March 1st, 2020:

- (1) Submit the Non-compliance Fuel Oil Information Report to local maritime administration before she enters Chinese waters if her next port is a Chinese port. We suggest shipowners to submit the report as early as possible taking into account of the outbreak of COVID-19.
- (2) If the non-compliant fuel oil is intended to be unloaded, the ship should report to the local maritime authority along with the plan for disposal of the non-compliant fuel oil, such as unloading to another ship or land-based facility, safety and anti-pollution measures to be implemented.

(3) If the non-compliant fuel oil is intended to be kept on board, the ship should submit a commitment letter of not using it in Chinese waters together with a follow up disposal plan to the local maritime authority.

II. Ships with EGCS Installation Arrangement

For some ships that plan to install EGCS in the near future, most of them may keep a certain amount of non-compliant fuel oil onboard for the purpose of testing and supply after installation of EGCS. In the instance, if the ship needs to carry and use non-compliant fuel oil for sea trial in Chinese waters for purposes of installation or modification of tailpipe after-treatment system, application for exemption should be submitted to the local MSA through their online service system, details of which are available below.

III. Ships with EGCS Malfunction

If unfortunately the installed EGCS malfunctioned during the voyage, we note from MSA that the following content of MEPC circular.883 in May 2019 is acceptable by Chinese authority:

Include the malfunction event, including the date and time the malfunction began and the actions, follow-up actions to be taken in the EGCS Record Book.

If the malfunction cannot be rectified within 1 hour, the ship should change over to compliant fuel and make records.

(1) If the ship does not have compliant fuel oil or a sufficient amount of compliant fuel oil on board, the relevant authorities, including the competent authorities of the flag state of the ship, should be reported.

(2) A proposed course of action, in order to bunker compliant fuel oil or carry out repair works, should be reported to MSA as well for their agreement.

Application/ Report Channel

Please note that an online service system (<https://zwfw.msa.gov.cn/>) has been released recently. The reports mentioned above, including Compliance Fuel Supply Capacity Report, Fuel Oil Non-availability Report, Non-compliance Fuel Oil Information Report and Situation for Exemption Report, can all be submitted/ applied through the system. Registration is required before submitting any application or report online.

However, the English version of the system has not yet been released. For shipowners' best convenience, we have checked with China MSA and learnt that the local agent would be authorized to submit the application/ report on behalf of shipowners.

If you have any questions on the above or have any difficulties in practice, please feel free to contact us.

Best regards,



Yu Limin
President