



# 华泰保险经纪有限公司

CHINA RE

HUATAI INSURANCE AGENCY & CONSULTANT SERVICE LTD.

## Circular Ref No.:PNI1602

Date: 22 Feb 2016

Dear Sir or Madam,

### **Subject: Latest Development on Emission Control Areas (“ECA”) in Yangtze River Delta, China**

Reference is made to our previous circular (Ref No.: 1601) on this issue dated 29th January 2016, wherein we advised that China MSA held a meeting on 21th January 2016 and announced the plan to require ships to use fuel with sulfur content of  $\leq 0.5\%$  when calling key ports in Yangtze River Delta which includes Shanghai, Ningbo-Zhoushan, Suzhou and Nantong. We hereby update recent developments as follows for your reference:

#### **China MSA issues *Notice on Enhancing Supervision and Administration of ECAs***

On 29 Jan 2016, China MSA issued *Notice on Enhancing Supervision and Administration of ECA* to specify the requirement for ships when calling ports within ECAs, and to provide guidance to local MSA offices on supervision and administration of ECAs.

We hereby summarize the requirement as follows for your easy reference:

#### **1. Low Sulfur Content Fuel**

Ships which need to switch to low sulfur fuel within ECA in line with relevant requirement are required to record the switching date, time, vessel's location (latitude & longitude), oil specification and operator for change-over in the engine book. A written fuel change-over procedure shall be kept on board as part of ship's Safety Management System.

Ships shall keep fuel supply documents on board for 3 years, and keep fuel sample for at least 1 year until the fuel has been used up.

According to the Notice issued by China MSA, the local authorities are requested to inspect relevant records/documents such as engine log,

bunker supply certificates, fuel change-over procedure etc., and to conduct fuel sampling and analysis if breaches are found during the document check or if the authorities deem it necessary.

Ships using fuel oil that doesn't meet with relevant standard or requirement are subject to one or more than one of the following:

- (1) warning education;
- (2) correction of breaches;
- (3) detention;
- (4) penalty ranging from RMB10,000 to RMB100,000 according to article 106 of Air Pollution Prevention Law of PRC.

Ships failing to keep the fuel supply document and fuel sample as requested are subject to penalty ranging from RMB2,000 to RMB10,000 according to the article 63 of Regulation on the Prevention and Control of Vessel-induced Pollution to the Marine Environment.

## **2. Alternative Replacement Measures**

Ships shall give priority to use shore power, in case the ship and calling port has suitable condition and has made appropriate arrangement already. The recording of date, time and operator in the engine log book is required.

Ships using clear energy such as liquefied gas or other low emission fuel are required to record the type of clear energy in IAPP certificate. Ships using dual fuel are required to record the usage amount of each fuel, date and time of switching fuel, ship's location (latitude & longitude) and operator in the engine log book.

Ships using after-treatment equipment as replacement measures shall hold exhaust after-treatment certificate issued by ship survey organizations and shall put remarks in the IAPP certificate. The recording of using date, time, ship's location (latitude & longitude) and operator in the engine book is required.

The local authorities are requested to inspect relevant records/documents and to conduct onsite inspection when ships using alternative measures in accordance with the Notice. Ships using alternative measures that don't meet with relevant standard or requirement, the maritime authorities are subject to:

- (1) warning education;
- (2) correction of breaches;
- (3) detention.

## **3. Breaches under Special Situations**

If a ship fails to meet with relevant ECA requirement in order to ensure the vessel's safety or conduct human life salvage on sea or because of ship and its machinery damage or failure, the ship shall report to the nearby maritime authorities and record relevant information in the log book.

**Shanghai MSA issues formal notice to implement the decision on higher requirement of fuel sulfur content from 01 April 2016**

On 18th February 2016, Shanghai MSA issued a formal notice on "Implementation of ECA at Shanghai Port" to implement the aforementioned decision. According to the notice, vessels calling Shanghai port are required to use fuel with sulfur content  $\leq 0.5\%$ mm when staying at berth (from one hour after getting berthed till one hour before departure from berth) from 1st April 2016.

Since it has been announced that the key ports in Yangtze Delta ECA will implement higher requirement from 01 April 2016, it is anticipated that the authorities at the other ports including Ningbo, Zhoushan, Suzhou and Nantong will issue similar notice in the near future.

Apart from Yangtze Delta ECA, the other two ECAs haven't had any plan to implement the higher requirement in 2016.

Given above, owners are recommended to take appropriate measures when calling Shanghai, Ningbo-Zhoushan, Suzhou and Nantong as from 01 April 2016 to ensure satisfaction of relevant requirements and to avoid any delay or penalty to the ship.

Hope the above is of assistance. Should you have any query, please feel free to contact us.

Sincerely yours,

Cui Jiyu



Vice President