



Ship Type: Dry Cargo / Container

Trade Area: China

Bulletin 374 - 08/04 - Tightening of Regulations on Overseas Scrap Suppliers - China

We have been advised that from 8th May 2004, all overseas scrap suppliers will be subject to new measures of registration undertaken by General Administration of Quality Supervision Inspection and Quarantine of PRC (AQSIQ), the relevant authority of the People's Republic of China. In its bulletin No. 48 the AQSIQ announced the promulgation of detailed rules for the registration of overseas scrap supplier (the "Rules").

According to the Rules, from 8 May 2004, all overseas scrap suppliers shall apply to AQSIQ for registration and to acquire a registration certificate. The supplier may not import scrap into China if he does not obtain the registration certificate, which means that the scrap will be refused to be imported into China and could be shipped back to the export country.

The carrier would unavoidably be exposed to risks if the scrap shipment has been denied entry into China. Therefore, it is suggested that Members confirm with the shippers that they have obtained the relevant registration certificate before accepting loading, and decline to load the scrap shipment if it is found that the shipper does not possess a valid registration certificate.

The Club further suggests Members take necessary steps to protect themselves against any potential liability which may arise from the transportation of scrap shipments. It is advisable to ask the shippers to bear all costs and expenses arising from the denial or delay of the scrap shipments into China by inserting appropriate clauses into the contract of carriage.

Despite of the above, the Rules also set out the conditions regarding the application for registration and list those materials required for registration. The period of validity for the registration certificate is three years.

The tightening of the regulation of overseas scrap suppliers is only a part of the measures which China has taken to regulate the import of scrap from overseas. Over the past years, China has enforced many a law and regulation in this respect as follows:

1. Law of the People's Republic of China on the Prevention and Control of Environmental Pollutions by Solid Wastes
2. Interim Regulations on the Administration of Environmental Protection by Import of Wastes, and its supplementary provisions
3. Methods of Administration of Pre-loading Inspection of Imported Scrap promulgated by General Administration of Import and Export Commodity Inspection on 12 September 1996
4. Regulations Concerning Strengthening the Administration of the Transport of Imported Wastes promulgated by Ministry of Communications on 9 August 1996.

We advise Members to familiarize themselves with the attached document and to inform their chartering departments accordingly.

Source of information: Wang Jing & Co Law Firm
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