



CMS NEWSLETTER

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Development of Pre-contracting Issue

Outline

- ★ There is no development of OSRO approval and the schedule of executing the pre-contracting requirement.
- ★ CMS has established contact with OSROs in main ports for pre-contracting issue.
- ★ CMS service contract on pre-contracting issue has been ready.

Dear Sirs,

The development of OSRO list and pre-contracting issue

Although neither OSRO list was released by the MSA nor the schedule of implementing the pre-contracting requirement was made clear, CMS will keep paying attention to the issues and will inform you all promptly if any development.

CMS's contact with OSROs in main ports

Acquainted with many OSROs and local MSAs, CMS has got a list of about 100 OSROs in nearly 30 main ports of China and established contact with them for the pre-contracting issue by sending the brochure on pre-contracting service provided by CMS for the shipowners. Through the communications for several months, the OSROs have fully understood CMS's role and advantages. Positive feedback has been received.



CMS service contract on pre-contracting issue has been ready.

Practical issues that may arise from the pre-contracting requirement include the complicated Chinese laws and rules, and the language especially most of the OSROs are small and restricted to communication in Chinese. It's hard for shipowners and OSROs to get to know each other in a very short time and conclude the required contracts.

CMS has good knowledge of the OSROs and good relationship with the MSA, as well as a good understanding of the oil pollution liability and insurance system. This put CMS in a good position to provide services to facilitate shipowners' pre-contracting with OSROs and to comply with the requirements of Chinese laws and regulations.

The related services provided by CMS are as follows,

1. Advice to shipowner (or shipowner's Chinese Agents) of identity and status of MSA-approved OSRO(s) for Designated Ports
2. Arrangement of contract between shipowner and OSRO in Chinese and subject to Chinese Law compliant with MSA and International Group requirements, providing shipowner with English translation
3. Monitoring of evolving PRC and local regulations and on-going qualification of OSRO
4. Renewal of contract annually or as required

Through the communications between the IG and CMS for nearly six months, CMS service contract has been discussed by the IG terms by terms. Once the pre-contracting requirement implemented, the service contract is ready to meet the need of shipowners.

CMS is closely monitoring the development of the new Regulation and is willing to provide services for whoever need.

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