



STEAMSHIP MUTUAL

To the Members

April 2010

Dear Sirs,

Regulations of the People's Republic of China on the Prevention and Control of Marine Pollution from Ships

Members are referred to previous circulars on the new Regulations of the People's Republic of China (PRC) on the Prevention and Control of Marine Pollution from Ships ("the Regulations"), specifically the likely postponement of the requirement that operators of (a) any ship carrying polluting and hazardous cargoes in bulk or (b) any other vessel above 10,000 gt enter into a pollution clean up contract with a Maritime Safety Agency (MSA) approved pollution response company before the vessel enters a PRC port.

It is the International Group's understanding that this requirement is likely to be postponed further, with the PRC's MSA probably issuing additional rules in the next two to three months. Those rules will most likely deal with spill response contractors and the standards and criteria that they must adhere to, including information on the standard contractual terms under which they will operate. Thereafter, operators will probably have a further three months from issuance of the rules to contract with an approved spill response organisation.

It is likely that operators calling at different ports in the PRC during the year will need to contract with an approved spill response organisation in each port of call.

The International Group understands that the local MSA's should not be issuing lists of approved contractors until the PRC's MSA has issued these further rules. Members are therefore recommended not to enter into contractual arrangements with a spill response organisation for the purposes of ensuring compliance with the Regulations until such further rules have been issued by the PRC's MSA. Moreover, even then it is recommended that Members discuss matters with the Club before entering into any such contracts.

The International Group will continue to engage with the PRC MSA in this regard and a further update to Members will be provided in due course.

All Clubs in the International Group of P&I Clubs have issued similar circulars.

Yours faithfully,

THE STEAMSHIP MUTUAL UNDERWRITING
ASSOCIATION LIMITED

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(Registered No. 105461 : FSA registration number 202548)

MANAGERS: STEAMSHIP INSURANCE MANAGEMENT SERVICES LIMITED
AQUATICAL HOUSE 39 BELL LANE LONDON E1 7LU
tel: +44 20 7247 5490 website: www.simsl.com
Registered No: 3855693 England