



STEAMSHIP MUTUAL

To the Members

September 2010

Dear Sirs,

REGULATIONS OF THE PEOPLE'S REPUBLIC OF CHINA ON THE PREVENTION AND CONTROL OF MARINE POLLUTION FROM SHIPS

We refer Members 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"), and the postponement of the requirement that owners/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.

These requirements were postponed pending additional rules to be issued by the MSA. The International Group understands that the issuance of these additional rules, detailing the standards and criteria to which approved spill responders must adhere including information on the standard contractual terms under which they will operate, has been further postponed. Moreover, even after issuance of these additional rules, there will be a "grace" period before their implementation. The International Group will continue to engage with the MSA to determine when the rules will be issued and a further update to Members will be provided in due course.

We also refer Members to the previous recommendation 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 their Club before entering into any such contracts.

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

Yours faithfully,

THE STEAMSHIP MUTUAL UNDERWRITING
ASSOCIATION LIMITED

L.136

THE STEAMSHIP MUTUAL UNDERWRITING ASSOCIATION LIMITED
Authorised and Regulated by the United Kingdom Financial Services Authority
(Registered No. 105461 : FSA registration number 202548)

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