



STEAMSHIP MUTUAL

To the Members

December 2011

Dear Sirs,

Regulations of the People's Republic of China (PRC) on the Prevention and Control of Marine Pollution from Ships – UPDATE

Members are referred to the Association's recent circular of December 2011.

Matters have developed significantly and rapidly in the PRC over the past two weeks. The International Group (IG) has liaised further with the China MSA, various ship pollution response organisations (SPROs), shipowners and other interested parties in order to clarify a number of issues and to work towards ensuring, so far as possible, that there are suitable contractual arrangements in place to permit Members to be able to comply with the Regulations as easily and efficiently as possible.

The China MSA issued a Notice on 22 December 2011 outlining further requirements relating to the Regulations. The China MSA has indicated that there will be no deferral of the implementation date of the Regulations of 1 January 2012 in ports that have approved SPROs. However, if an operator is unable to finalise a contract with a SPRO in these ports before arrival of a vessel the local MSA may permit entry of that vessel subject to operators providing an explanation to the local MSA in advance of arrival as to why it has not been able to conclude a contract to the MSA. If a vessel is permitted entry in these circumstances a contract will have to be concluded before the vessel departs the port.

A set of Frequently Asked Questions (FAQs) have been developed by the IG and can be found in the "What's New" section of the Club's web-site which can be accessed using the following web-link <http://www.simsl.com/>. The FAQs incorporate recent developments and the requirements of the China MSA Notice of 22 December 2011. These FAQs will be updated as appropriate with further developments when known. Whilst the FAQs deal with the issues in some detail the most significant issues of concern to Members are:

- Umbrella SPROs/alliances/consortia and agents signing contracts on behalf of operators will need to file relevant documentation with the MSA in order to be approved. A list of approved agents and umbrella SPROs/alliances/consortia will be published on the China MSA website: <http://msa.gov.cn>
- Overseas operators without a branch company or office or representative in China can choose to sign a clean up contract directly with an approved SPRO or appoint an agent to sign the contract on their behalf.

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The above points are a summary of the main issues for Members arising from the recent China MSA Notice. Members are referred to the attached FAQs for more detailed information.

The IG will continue to maintain contact with the China MSA, SPROs and other key parties and further updates will be provided as appropriate.

Yours faithfully,

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