



CHINA RE

华泰保险经纪有限公司

HUATAI INSURANCE AGENCY & CONSULTANT SERVICE LTD.

Circular Ref No.: PNI1605

Date: 11 April 2016

Dear Sirs or Madam,

Subject: Follow-up developments on implementing higher requirement on using low sulphur content fuel (not exceeding 0.5%mm) in key ports within Yangtze ECA, China

Reference is made to our previous circular (Ref No.: 1602) on this issue dated 22th February 2016, wherein we advised that China MSA and Shanghai MSA issued two Notice on ECA issue respectively. We hereby update recent developments as follows for your reference:

Shanghai MSA issues Notice on Supervision of Domestic Emission Control Area

On 29 Mar 2016, Shanghai MSA issued Notice on Supervision of Domestic Emission Control Area to specify the requirement for ships when calling Shanghai port, and to provide detailed explanation on those requirements.

We hereby summarize the key points as follows for your kind reference:

1. While ships are berthing in Shanghai Port, the sulphur content of any fuel oil used on board ships (including main engine, auxiliary machinery, boiler and generator) (excluding the first hour after arrival and the last hour prior to departure) shall not exceed 0.5% mm on and after 1 April 2016.
2. According to the Notice, "Berthing in Shanghai Port" is defined as the period of time when the ship is firmly fastened to a bollard till all the cables of the ship are untied, which excludes anchoring and tying to buoys by the ship.
3. Ships are allowed to apply for an exemption to Shanghai MSA if using low sulphur fuel oil is unsafe to ships. The shipping company or agency shall provide Shanghai MSA with a written application form and related

documents, and obtain the exemption after approval. (For detailed circumstances in which ship can apply for exceptions and example of application form, please find the Notice (in Chinese Version and English Version) on Shanghai MSA's website: <http://www.shmsa.gov.cn/NewsContent.aspx?CatalogId=4e0e0ea3-28cc-4091-b288-ace0839f2dcf&ContentId=1533ea0a-39ca-4f52-b57e-1104c01ed6ad>)

4. Ships can take alternative measures equivalent to using low sulphur content fuel, such as shore power, clean energy, exhaust gas cleaning system and etc.

As far as we understand, there have already been a few cases where Shanghai MSA has issued penalty notice to ships for failing to keep fuel sample and fuel supply documents onboard as required.

Zhejiang MSA issues formal notice to implement the decision on higher requirement of fuel sulfur content from 01 April 2016 on 31 Mar 2016

1. According to the notice, ships calling Ningbo-Zhoushan port (including Beilun, Chuanshan, Daxie, Zhenhai, Meishan, Shengsi, Liuheng, Dinghai, Qushan, Jintang) are required to use fuel with sulfur content $\leq 0.5\%$ mm when staying at berth (from one hour after getting berthed till one hour before departure from berth) from 1st April 2016. Considering the reforming time of fuel change-over system and alternative measures, any violation to the requirement found within two month as from the date when notice come into force, the punitive measures mainly be warning education and correction of breaches.
2. Ships can take alternative measures equivalent to using low sulphur content fuel, such as shore power, clean energy, exhaust gas cleaning system and etc.

Jiangsu MSA issues formal notice to implement the decision on higher requirement of fuel sulfur content from 01 April 2016

1. According to the notice issued on 31.03.2016, ships calling Suzhou and Nantong port are required to use fuel with sulfur content $\leq 0.5\%$ mm when staying at berth (from one hour after getting berthed till one hour before departure from berth) from 1st April 2016.
2. Ships can take alternative measures equivalent to using low sulphur content fuel, such as shore power, clean energy, exhaust gas cleaning system and etc.

3. The rules of supervision and administration of ECA (including exception and exemption to the requirement) shall be published respectively.

As for other ports within Yangtze River Delta, no intention for the port authorities to require using fuel sulphur content not exceeding 0.5%mm for calling ships at this stage. The local MSA advised us that they will declare the date for implementing the control measures in due time in advance

Owners are recommended to take appropriate measures when berthing at Shanghai, Ningbo-Zhoushan, Suzhou and Nantong port as from 01 April 2016 to ensure satisfaction of relevant requirements and to avoid any delay or penalty to the ship.

Hope the above is of assistance.

Should you have any query, please feel free to contact us.

Sincerely yours,



Cui Jiyu
Vice President