



CHINA RE

华泰保险经纪有限公司

HUATAI INSURANCE AGENCY & CONSULTANT SERVICE LTD.

Circular Ref No.:PNI1608

Date: 02 September 2016

Dear Sir or Madam,

Subject: Local Authorities in Shenzhen Issued a Formal Notice on Implementing Low Sulphur Content Fuel Requirement (Not Exceeding 0.5% m/m) in Shenzhen Port in Pearl River ECA, China

Reference is made to our previous circulars no.1607 on ECA issue in China, wherein we advised that local authorities in Shenzhen made a decision and intend to adopt higher requirement on using low sulphur content fuel (not exceeding 0.5% m/m) during ships berthing at Shenzhen port from 01 Oct 2016. On 30th August 2016, local authorities in Shenzhen issued a formal notice on this respect and we hereby summarize the key points as below for your kind reference:

1. As from 01st October 2016, ships calling Shenzhen port (including Yantian, Shekou, Chiwan, Mawan, Dachan Bay) are required to use fuel with sulfur content $\leq 0.5\%m/m$ when staying at berth (from one hour after getting berthed till one hour before departure from berth). According to the Notice, "berthing time" is defined as the period of time when first cable fastened till all the cables of the ship are untied.
2. Ships are required to keep relevant documents of fuel usage, such as engine log, bunker supply certificates, fuel change-over procedure and oil record onboard which shall be subject to possible inspection by local authorities.
3. Ships can apply for immunity or exemption to Shenzhen MSA under certain circumstances if the ships are not able to implement the requirement when calling at Shenzhen port. The shipping company or agency shall provide Shenzhen MSA with written application form and related documents, and obtain the exemption after approval. Applicable circumstances are described as follows:
 - (1) Immunity
 - i) Ships can provide effective evidences proving that they have already made every effort but still failed to get the low-sulfur fuel;
 - ii) Ships can provide effective evidences showing that the reconstructing of the ship is required so as to use low-sulfur fuel and ships shall ensure such reconstructing are completed before 01st January 2017;
 - iii) Ships can provide effective evidences showing that using low-sulfur fuel is unsafe to ship during berthing.

(2) Exemption

If the vessels can provide effective evidences indicating that they have encountered force majeure or other emergency situation which caused the vessel to become unable to use low-sulfur fuel in accordance with the requirements, the vessels should immediately inform MSA via VHF, telephone or other communication equipment and submit written documents/evidences afterwards. If MSA confirms that the above situation is true, the vessels will not be blamed or punished.

4. Calling ships can take alternative measures which equivalent to using low sulphur content fuel. With respect to the alternative measures, except using shore power, liquefied natural gas and other clean energy/power, other alternative measures should be approved in advance by both Shenzhen Residential Environment Committee and Shenzhen Maritime Safety Administration.
5. Shenzhen MSA will enhance supervision of calling ships. Ships using fuel that doesn't meet with relevant standard or requirement are subject to penalty according to article 106 of Air Pollution Prevention Law of PRC.
6. Ships mentioned in above shall not include military vessels, fishing boats and sports vessels.

Given above, owners are recommended to take appropriate measures when calling Shenzhen port as from 01st October 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