

CIRCULAR

SETTING THE STANDARD FOR SERVICE AND SECURITY

TO ALL OWNERS AND MEMBERS

2 September 2010

Dear Sirs

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

We refer owners/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 ship above 10,000 gt enter into a pollution clean-up contract with a Maritime Safety Agency (MSA) approved pollution response company before the ship enters a PRC port.

These requirements were postponed pending additional rules to be issued by the MSA. The International Group understands that the issue of these additional rules detailing the standards and criteria that approved spill responders must adhere to, including information on the standard contractual terms under which they will operate, has been further postponed. Moreover, even after the 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 owners/members will be provided in due course.

We also refer owners/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 owners/members discuss matters with the club before entering into any such contracts.

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

Yours faithfully

Alistair Groom Chairman

Charles Taylor Mutual Management (Asia) Pte Limited

Direct Line: +44 20 3320 8899 E-mail: alistair.groom@ctcplc.com

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The Standard Steamship Owners' Protection and Indemnity Association (Asia) Limited

www.standard-club.com

Incorporated in Singapore No. 199703224R. Authorised and regulated by the Monetary Authority of Singapore

Managers: Charles Taylor Mutual Management (Asia) Pte. Limited

Registered office: 140 Čecil Street, #15-00 PIL Building, Singapore 069540. Registered in Singapore No. 199703244C Telephone: +65 6506 2896 Fax: +65 6221 1082 E-mail: p&i.singapore@ctcplc.com

