Maritime Safety Administration of the People's Republic of China Announcement

2011 No.3

Announcement on Affairs Relating to Implementation of the Agreement for Ship Pollution Response Administration System

In order to effectively implement the agreement for ship pollution response administration regime and regulate the conclusion of agreement for ship pollution response, as well as pursuant to the Regulations of the People's Republic of China on Emergency Preparedness and Response on Marine Environment Pollution from Ships and relevant requirements, it is hereby announced affairs relating to implementation of the agreement for ship pollution response administration regime as follows:

I. The ship's operator shall conclude the agreement for ship pollution response with an oil spill response organization in accordance with provisions of Article 18 of the Detailed Rules of the Maritime Safety Administration of the People's Republic of China on the Implementation of the Regime of Agreement for Ship Pollution Response. Amongst which a domestic ship's operator shall directly conclude the agreement for ship pollution response with the oil spill response organization.

Where a foreign ship's operator concludes the agreement for ship pollution response through its branch company, office or representative office established in China, such established branch company, office or representative office shall submit relevant materials testifying its legal operation qualification and the power of attorney, etc to this MSA for filing; for ships that only call at fixed port(s), they

may take the aforesaid materials directly to the local maritime administration agency for filing.

Where a foreign ship's operator does not establish branch company, office or representative office in China, or such foreign operator does not authorize its branch company, office or representative office establish in China to conclude the agreement for ship pollution response, it may conclude the agreement for ship pollution response in accordance with the following requirements:

- (1) for ships calling at multiple ports, the foreign ship's operators entrust the ships' agents filed by this MSA to conclude the agreements;
- (2) for ships that only call at fixed port(s), the foreign ship's operators entrust the ships' agents filed by this MSA or the local maritime administration agencies to conclude the agreements; and
- (3) the foreign ship's operators entrust masters to conclude the agreements.

The branch company, office or representative office established in China by a foreign ship's operator, the ships' agent and the master shall affix the seal of its unit or the ship's seal on the concluded agreement for ship pollution response, note the name of the foreign operator it acts on behalf, and attach the power of attorney from the foreign operator therewith.

The foreign operator or its agent may, directly or by fax, submit the concluded agreement for ship pollution response and the power of attorney to the maritime administration agency for handling ship's entry and exit or operation examination and approval formalities.

II. Ship's agent engaged in agency service of agreement for ship pollution response is referred to unit basing on the interests of ship's operator to offer service for the conclusion of the agreement for ship pollution response between the ship's

operator and the oil spill response organization. A ship's agent shall meet with the following conditions:

- (1) be an independent legal person with commercial intermediate agent service business scope registered in China;
- (2) registered capital shall be 6,000,000 or more;
- (3) engaged in ship pollution emergency response technical activities and has the ability to timely recommend proper oil spill organizations to the ship' operator for conclusion of the agreement for ship pollution response; and
- (4) has set up sound management system for the agreement for ship pollution response agency business.

The ship's agent shall submit the following filing materials to this MSA or the local maritime administration agency:

- (1) copy of business license for enterprise as legal person;
- (2) materials testifying that it has the ability to offer service of concluding the agreement on behalf of the ship's operator;
- (3) working plan for the agreement for ship pollution response agency business and corresponding management system; and
- (4) power of attorney from the ship's operator.

Ship's agent offering agency service at multiple ports shall file with this MSA before December 23 of every year, and the deadline for filing in this year shall be extended to January 15, 2012. Ship's agent that only offers agency service at one port may file with the local maritime administration agency directly.

A ship's agent shall not engage in the agreement for ship pollution response agency business unless filed and published by the maritime administration agency. An agent shall not concurrently act on behalf of the ship's operator and the oil spill response organization to conclude the agreement for ship pollution response.

- III. Where an oil spill response organization concludes the agreement for ship pollution response with the ship's operator through a chained organization, such chain organization shall possess the following conditions:
- (1) Level-I oil spill response organization qualification;
- (2) Uniformed code for fulfilling the agreement for ship pollution response; and
- (3) Uniformed rate standard for the agreement for ship pollution response.

A chained organization shall submit the following filing materials to this MSA before December 23 of every year (deadline for filing in this year shall be extended to January 15, 2012):

- (1) copy of Level-I oil spill response organization qualification certificate;
- (2) code texts or articles for fulfilling the agreement for ship pollution response;
- (3) the published charging standard for the agreement for ship pollution response; and
- (4) chained operating agreement.

A chained organization shall not conclude the agreement for ship pollution response on behalf of other oil spill response organizations unless filed and published by this MSA.

Where a chained organization conclude the agreement for ship pollution response on behalf of other oil spill response organizations, it shall affix its seal on the agreement and note the name of the oil spill response organization it acts on behalf therewith.

IV. All local maritime administration agencies shall timely report the situation of their filed ship's agents, branch companies, offices or representative offices established in China by foreign ship's operators to this MSA. This MSA will uniformly

publish the names and scopes of authority of the ship's agents, branch companies, offices or representative offices authorized by foreign ship's operators to conclude the agreements for ship pollution response as well as the names of chained organizations and names of their member units on http://www.msa.gov.cn and http://www.msa.gov.cn and http://www.osp.cn on a regular basis..

V. The ship's operator and the oil spill response organization shall conclude the agreement for ship pollution response on per voyage or per fixed term (for instance, month, season or year) basis, and base on the same to charge reasonable costs of agreement for ship pollution response.

Where the ship's operator has concluded the agreement for ship pollution response with the oil spill response organization and pollution accident occurs after the agreed ship enters into the service area, both parties may terminate or cancel the agreement when the following condition are concurrently met with:

- (1) the ship's operator and the oil spill response organization have arranged proper substituted measures in respect of the emergency response;
- (2) terminate or cancel the agreement will not affect the timely cleanup of pollution; and
- (3) have reported to and approved by the local maritime administration agency.
- VI. For ports or waters in which oil spill response organization(s) approved by this MSA has been established, ships shall conclude the agreements for ship pollution response in accordance with relevant provisions as of January 1, 2012. Where a ship can not conclude the agreement before its first entry into a Chinese port or before commencement of operations due to certain reason(s), such ship shall explain such reason(s) to the local maritime administration agency, and the maritime administration agency may pre-permit such ship to enter into the port or to commence the operation, however, such ship shall conclude the agreement

before leaving the port. From March 1, 2012 on, maritime administration agencies of all levels shall base on relevant provisions to strictly treat those ships failing to conclude the agreement for ship pollution response as required.

For ports or waters in which no oil spill response organization approved by this MSA has been established, all coastal MSAs directly under the P.R China MSA shall adopt temporary substituted measures in accordance with requirements of the Notice on Circulating the Detailed Rules of the Maritime Safety Administration of the People's Republic of China on the Implementation of the Regime of Agreement for Ship Pollution Response (Hai Chuan Bo [2011] No.211); for ports or waters in which no temporary measure has been arranged, ships may temporarily not conclude the agreement for ship pollution response. From March 1, 2012 on, where ships fail to conclude the agreement for ship pollution response in accordance with provisions, maritime administration agencies of all levels shall treat such ships strictly in accordance with relevant provisions.

December 22, 2011

CC: All MSAs directly under the P.R China MSA, relevant oil spill response organizations and relevant shipping companies.