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Marine Advisory: 05/2019

Subject: China's FAQs concerning early implementation of the Global Sulphur Limit in Domestic Emission Control Areas, and Energy Consumption Data Collection for Ships

Ref: (a) Marine Advisory 11/2018
(b) Marine Advisory 03/2019

Dear Shipowner/Operator/Master;

Purpose: This Advisory is to provide additional information to Owners, Operators and Masters of Liberian flagged vessels regarding The Peoples Republic of China's:

1. Implementation Scheme of Domestic Emission Control Areas for Atmospheric Pollution from Vessels; and
2. Energy Consumption Data Collection.

The International Chamber of Shipping (ICS) met with the Chinese delegation at the recent session of the IMO Sub Committee on Pollution Prevention and Response and has obtained a *Frequently Asked Questions* document (attached) issued by the Ministry of Transport of China covering both of the above issues.

If you have any questions, please contact safety@liscr.com or our office in Shanghai, China at China@liscr.com.

Attachment: The relevant China FAQs.

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FAQs about Recent Maritime Environmental Regulations in China

Implementation Scheme of the Domestic Emission Control Areas for Atmospheric Pollution from Vessels

1 Background

In order to implement the national policies on ecological civilization development, pollution prevention and control, to protect the blue skies, as well as to facilitate the green shipping development and the energy saving and emission reduction of vessels, this Implementation Scheme is formulated in accordance with the Air Pollution Prevention and Control Law of thePeople's Republic of China and the applicable international conventions, and on the basis ofthe Implementation plan of the DECAs for Vessels in the PearlRiver Delta, the Yangtze River Delta and the Bohai-Rim Area issued in 2015.

The Domestic Emission Control Areas for Atmospheric Pollution from Vessels (hereinafter referred to as "DECAs") are designated to control and reduce emissions of atmospheric pollutants including SOx, NOx, particulate matters (PMs) and volatile organic compounds(VOCs) from vessels and to improve the air quality of coastal areas and inland river portcities.

The DECAs are designated according to the following principles:
(i)Promoting a coordinated development of the environment quality improvement and the shipping economy growth.
(ii) Strengthening the control of air pollution from vessels.
(iii) Complying with the international conventions and domestic laws.
(iv) Taking a phased-in approach and conducting pilot programs.

2What are the requirements for the sea-going vessels regarding Sox emissions?

From 1 January 2019, the sulphur content of any fuel oil used on board sea-going vessels operating in the DECAs should not exceed 0.5% m/m.

From 1 January 2020, the sulphur content of fuel oil used on board sea-going vessels should notexceed 0.1% m/m when operating in the inland river emission control area. The inland river control area is the navigable waters of the main stream of the Yangtze River, Xijiang River.

From 1 January 2022, the sulphur content of any fuel oil used on board sea-going vessels should not exceed 0.1% m/m when operating in the coastal emission control area in Hainan waters.

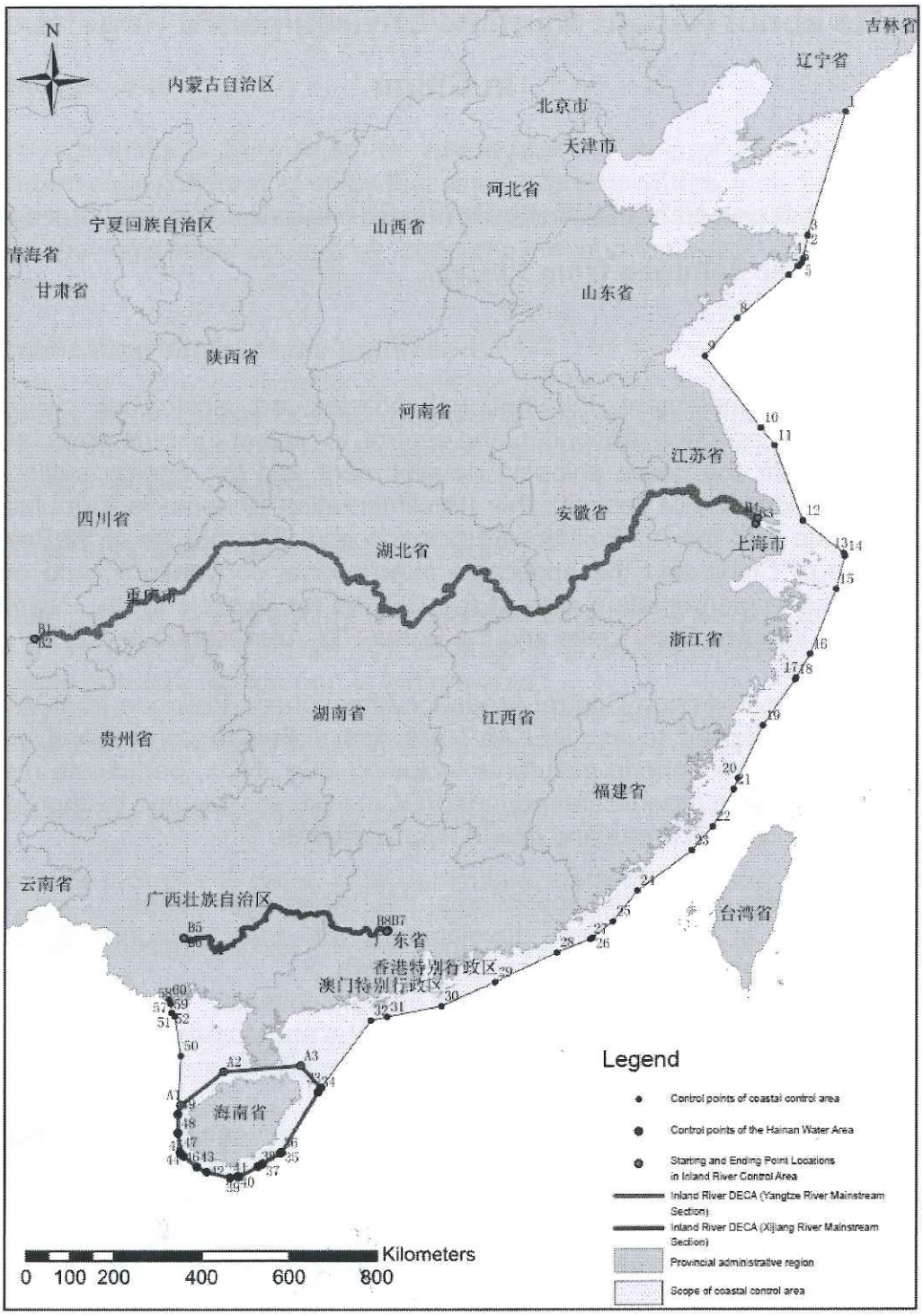

Figure 1 Geographic Scope of the Emission Control Area

2What are the requirements for the sea-going vessels regarding shore power using?

From 1 July 2019, the existing ships (except for tankers) with onboard devices forthe use of shore power should use the shore power when berthing at a berth with shorepower supply capabilities inside the coastal emission control area for more than 3 hours, or inside the inland river emission control area for more

than 2 hours without using other alternative or equivalent measures (including the use of clean energy, newenergy, onboard UPS or auxiliary engine shutdown, similarly hereinafter).

From 1January 2021, cruise ships should use the shore power when berthing at a berth withshore power supply capabilities inside the DECAs for more than 3 hours withoutusing other alternative or equivalent measures.

3What are the requirements for the sea-going vessels using EGCs?

In light of the implementation scheme, Using exhaust gas cleaning systems (EGCs), so-called marine scrubbers, is an alternative measure for ships to comply with the sulphur limit. China fully accept and embrace the new technology such as EGCs and electric propulsion ship.

With respect to the wash water from scrubber, it is allowed to discharge overboard most of time when complying to the IMO EGCs guidelines. However, for open loop scrubber, Chinese regulations stipulate that the wash water from it cannot be discharged directly into waters of ports, inland waterways and Bohai Rim.

Like other regions in the world such as American, Belgium and Singapore who also implement the regulation, we doubt the hazardous degree of the wash water. And the specification of PHA(0.05mg/L) in EGCs guidelines is much higher than the limit in Chinese national criterial of waters(0.0025mg/L) obviously. In consequence, China set this regulation for the areas of ports, inland waterways and Bohai Rim which are close to the communities.

4Exemptions &Exceptions

In case of the follow circumstances, the ship can apply for exemptions or exceptions.

.1 the retrofitting of the structure or devices of the ship is essential to use the low sulphur fuel oil. The retrofitting has to be finished in 12 months.

.2 compliant fuel oil was still unavailable to be obtained after all efforts made;

.3 unable to use the compliant fuel oil due to the relevant equipment failure or damage;

.4 the non-compliant fuel oil is used to guarantee the safety of the ship or to carry out salvage for life at sea.

Energy Consumption Data Collection

1 Background

This regulation is formulated to investigate the energy efficiency and air pollutant emission from all ships that sail in Chinese waters, including domestic ships and international ships that call ports in China. The result will serve the domestic legislation on energy consumption and emission control of next phase.

2 Application scope of the regulation

This regulation applies to ships, entering or leaving the ports in China, of 400 gross tonnage and above or powered by main propulsion machinery of 750 kW propulsion power and above.

3 When shall the ships report the data?

The ships shall report energy consumption data of the voyage to the port at departure from any Chinese port each time. The data of the voyage from a Chinese port to a foreign port is not required.
For example, when a ship sails from Singapore to Shanghai, it shall report the data of the voyage from Singapore to Shanghai before departure Shanghai.

4 What's the data required to be reported?

The data includes 3 parts, ship particulars, data of transport work and fuel consumption data. The data content is basically consistent with IMO data collection system except for the requirement of transport work and sulfur content of oil.

5 How to report the data?

Ships shall report the required data via maritime information platform established by China MSA. Non-Chinese ships should report the data by local shipping agency.

6 Concerns with the commercial sensitivity of the data

Confidentiality of submitted information was taking into account seriously during the development of the information platform. Access to database is highly restricted, and only a few authorized staff in headquarter of China MSA can access to integral data. The collected information will not be used for commercial purpose.

7 Definition of 'voyage'

'Voyage' means sailing, berth and operation of a ship during two contiguous ports of call, starting with the time of last berth and ending with the time of this berth.