



FEBRUARY 22, 2010

CIRCULAR NO. 07/10

TO MEMBERS OF THE ASSOCIATION

Dear Member:

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

Members have previously been advised – in Circular No. 05/10 of January 25, 2010 – that the new Regulations of the People's Republic of China (PRC) on the Prevention and Control of Marine Pollution from Ships (“the Regulations”) are due to take effect on March 1, 2010, but that the requirement for “operators” of any ship carrying polluting and hazardous cargoes in bulk or of any other vessel above 10,000 gross tons to conclude a pollution clean up contract with an MSA-approved pollution response company before entering a PRC port would probably be postponed.

It is the International Group's understanding that the Regulations will still become effective on March 1, 2010. However, the International Group understands that the PRC's Maritime Safety Agency (MSA) has not completed the approval of contractors who will act as spill response organizations in accordance with the Regulations, and has not agreed the standard contractual terms under which such organizations will operate.

As a result, the International Group's understanding remains that the date for operators to pre-contract with an approved pollution response contractor (March 1, 2010) will not be enforced and that shipowners may have a further three months from the date on which the list of approved contractors and the standard contractual terms under which they will operate are published to make the necessary arrangements in order to ensure compliance.

The International Group will continue to engage with the PRC MSA in this regard and a further update to Members will be provided in due course.

As noted, Members should continue to work on the basis that the other provisions of the Regulations will become effective on March 1, 2010.

Yours faithfully,

Joseph E.M. Hughes, Chairman & CEO
Shipowners Claims Bureau, Inc., Managers for
THE AMERICAN CLUB

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