American Club Member Alert – July 17, 2018

MEMBER ALERT

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GUIDANCE ON CHINA'S STANDARD FOR DISCHARGING WATER POLLUTANTS FROM SHIPS

Reference is made to the Club's Member Alert entitled *People's Republic of China (PRC):* New Standard for Discharging Water Pollutants From Ships dated February 23, 2018. This described various new marine environmental regulations coming into effect in China on July 1, 2018.

With these new regulations now in effect, your Managers draw Members' further attention to the attached circular entitled China Amended Discharge Standard for Water Pollutants. received from the Club's correspondent in Beijing.

This circular outlines the key points of the amended Discharge Standard for Water Pollutants joint Discharge Standard for Water Pollutants from Ships (GB 3552-2018) implemented by China's Ministry of Environmental Protection (MEP), and the Administration of Quality Supervision, Inspection and Quarantine (AQSIQ).

Your Managers kindly thank Huatai Insurance Agency & Consultant Service LTD for this information.

Circular Ref No.:PNI1811

Date: 12 July 2018

Dear Sir/Madam,

Subject: China Amended Discharge Standard for Water Pollutants

from Ships

In order to better protect marine environment, the Ministry of Ecology and Environment and General Administration of Quality Supervision, Inspection and Quarantine have jointly issued amended Discharge Standard for Water Pollutants from Ships(GB 3552-2018) (hereinafter "Standard"), which has become effective from 01.07.2018. We hereby summarize key points of the amended Standard as below for your kind reference:

Provisions of "Standard"

1. Scope of application

The Standard stipulates the control requirement and testing requirement of discharging oily wastewater and sewage, the control requirement of discharging waste water containing noxious liquid substances and garbage from ships, as well as the implementation and supervision of this Standard.

This Standard shall be applied to the supervision and management of ships discharging oily wastewater, sewage, waste water containing noxious liquid substances and garbage from ships to environment water bodies of PRC and sea water areas under Chinese Jurisdiction. This Standard is not applied to temporary discharge for ensuring safety of vessel and salvage of life.

This standard is also applicable to pollutant discharge allowed by Law. The management of discharging pollutants to inland water and other special protected areas shall be in accordance with Marine Environment Protection Law, Water Pollution Prevention and Control Law, Environment Protection Law, Regulation on

the Prevention and Control of Vessel-induced Pollution to the Marine Environment.

2. Discharge control requirement of discharging oily wastewater

(1) The discharging of oily wastewater shall be carried out in accordance with following table.

Type of pollutants	Water areas	Type of ship		Requirements
ponutants	Inland Water	Ships built before 01.01.2021 Ships built after 01.01.2021		From 01.07.2018, collect and discharge to reception facility or discharge subject to (2) described below Collect and discharge to reception facility
Oily		Ships with gross tonnage of 400 or more		From 01.07.2018, collect and discharge to reception facility or discharge subject to (2) described below
wastewater from machinery space	Coastal		on-fishing essel	From 01.07.2018, collect and discharge to reception facility or discharge subject to (2) described below
Coastal	with gross tonnage less than 400 Fishing vessel		a. From 01.07.2018 to 31.12.2020, discharge in accordance with (2) described below b. From 01.01.2021, collect and discharge to reception facility or discharge in accordance with (2) described below	
	Inland water	All oil tanker		From 01.07.2018, collect and discharge to reception facility
Oily wastewater containing oil cargo residues	Coastal water	Oil tanker with gross tonnage of 150 or above		From 01.07.2018, collect and discharge to reception facility, or discharge during navigation when complying with below requirements: a. More than 50 nautical mile away from the nearest land; b. The instantaneous discharging rate of oil content shall not exceed

			30L/nautical mile
		c.	The discharged oily
			wastewater with oil content
			not exceed 1/30000 of
			quantity of oil cargo;
		d.	The monitoring system of
			oil discharging works well.
	Oil tanker with gross	Fre	om 01.07.2018, collect and
	tonnage less than 150	dis	scharge to reception facility

(2) Oily wastewater from machinery space shall be discharged in accordance with following table and the discharging operation is required to be conducted during navigation.

Pollutant	Limitation	Monitoring location	
Potroloum (mg/L)	15	Water outlet of oily	
Petroleum (mg/L)	13	wastewater processing unit	

3. Discharge control requirements of discharging sewage

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- 3.1 From 01.07. 2018, ship with gross tonnage of 400or above and ship with capacity of 15 passengers or above, is required to fulfill below requirements respectively.
- 3.1.1In the area of inland waters and coast waters that less than 3 nautical miles away from the nearest shore, sewage shall be treated as per below, and is prohibited to directly discharge to environmental water bodies.
- a. using the collection devices onboard to collect and then discharge to reception facility.
- b. Using the onboard sewage treatment device to dispose sewage in order to meet requirement specified in 3.2, and then discharge disposed sewage during the voyage.
- 3.1.2In the sea area that more than 3 nautical miles away from the nearest shore, the discharge requirement of discharging sewages is shown on below table

Waters areas	Control requirement		
3Nautical miles <distance from="" miles<="" nautical="" nearest="" shore≤12="" td="" the=""><td>Both below requirements should be satisfied: (1) using equipment to break solids and then discharge after disinfection (2) navigating speed not less than 4 knots,</td></distance>	Both below requirements should be satisfied: (1) using equipment to break solids and then discharge after disinfection (2) navigating speed not less than 4 knots,		
	and the discharge rate of sewage not exceed the maximum discharge rate of the corresponding speed.		
distance from the nearest shore >12	Navigating speed not less than 4 knots,		

Nautical miles	and the discharge rate of sewage not
	exceed the maximum discharge rate of
	the corresponding sailing speed.

- 3.2. In inland waters and sea water areas within 3 nautical miles away from the nearest land, according to the type of ships and the time of installation/replacement of sewage treatment equipment, the corresponding pollutant discharge limits of sewage after treated by onboard sewage treatment device are shown as below
- 3.2.1Shipsthathave installed/replaced sewage treatment devices before 01.01.2012, the discharging limits of sewage should be in line with below table

No	Pollutants	Limits	Monitoring location
1	BOD5 (mg/L)	50	
2	Suspended matter (SS) (mg/L)	150	Water outlet of
3	Heat resistant coliform group (Piece/L)	2500	sewage treatment facility

3.2.2 Ships that installed/replaced sewage treatment devices after 01.01.2012, the discharging limits of sewage should be in line with below table(except the passenger ships)

No	Pollutants Items	Limits	Monitoring location
1	BOD5 (mg/L)	25	100001011
2	Suspended matter (SS) (mg/L)	35	
3	Heat resistant coliform group (Piece/L)	1000	Water outlet of sewage treatment
4	CODcr (mg/L)	125	facility
5	PH (Dimensionless)	6-8.5	
6	Total chlorine (mg/L)	<0.5	

Passenger ships that have installed/replaced sewage treatment devices after 01.01.2021, the discharging limits of sewage should be in line with below table

No	Pollutants Items	Limits	Monitoring location		
1	BOD5 (mg/L)	20	Water	outlet	of

2	Suspended matter (SS) (mg/L)	20	sewage facility	treatment
3	Heat resistant coliform group (Piece/L)	1000	, 10011109	
4	CODer (mg/L)	60		
5	PH (Dimensionless)	6-8.5		
6	Total chlorine (mg/L)	< 0.5		
7	total nitrogen (mg/L)	20		
8	ammonia nitrogen (mg/L)	15		
9	total phosphorus (mg/L)	1.0		

3.3Discharging sewage is prohibited in the conservation areas of drinking water and the control measures taken by ship side in this respect should be recorded according to relevant regulations.

5. Discharge control requirement of discharging waste water containing noxious liquid substances

4.1 The discharge of waste water containing noxious liquid substances along the coast water shall be carried out according to below table.

The waste water contains any of the	Discharge control requirements		
following toxic liquid substances.			
(1) substances of category X	If the prewashing can not be exempted,		
(2)high viscosity or solidified substance	ship should conduct prewashing		
of category Y	according to the relevant procedures		
(3) substances of category Ywhich have	before leaving the port of discharge, and		
not been discharged according to the	the prewashing water of holds should be		
prescribed procedures	discharged to the reception facility. The		
(4) substances of category Zwhich have	concentration of substances of category X		
been discharged according to the	should be reduced to less than or equal to		
prescribed procedures	0.1% (mass percentage) after prewashing.		
	After the concentration has reached above		
	requirement, the remaining sewage		
	should be discharged to the reception		
	facility until the hold is empty. After		
	prewashing, the waste water containing		
	noxious liquid substances generated from		

water injection further should be discharged according to 4.2 of this standard. In accordance with requirement under 4.2 (1) substances of category Y that have discharged according of this standard. Ship that built before been 01.01.2007 can be exempted from the prescribed procedures (2) substances of category Z that have requirement under 6.2C) of this standard discharged according the when discharging waste water containing substances with category Zor provisional prescribed procedures discharging waste water containing substances with category Z.

- 4.2 Ships that carry out discharging operation along the coast, are required to discharge waste water containing noxious liquid substances by complying all below requirements after prewashing, effective sweeping as well as ventilation:
- a) Discharging said waste water in the sea area that 12 nautical miles or above away from the nearest land and with a depth of not less than 25 meters.
- b) Discharging said waste water during navigation, the speed of self-propelled ship should not less than 7 knots whilst the speed of non-self-propelled ship should not less than 4 knots.
- c) The discharge rate should not exceed the maximum designated speed when discharging said waste water through outlet under waterline.

6. Discharge control requirements of discharging garbage from ships

- 5.1 Dumpinggarbage from ships in inland water is forbidden. In the area where discharging of ship's waste is allowed, the corresponding discharge control requirements shall be complied according to the category of the garbage and the nature of the sea area.
- 5.1.1In any area, plastic waste, waste edible oil, living waste, incinerator ash, abandoned fishing gear and electronic waste shall be collected and discharged into the reception facilities.
- 5.1.2 Food wastes shall be collected and discharged into the reception facilities within sea areas with 3 nautical miles away from the nearest land. Food wastes that comminuted to a diameter of less than 25 millimeters can be discharged in the sea areas from 3 to 12 nautical miles away from the nearest land. Food wastes can be discharged in the sea area over 12 nautical miles away from the nearest land.
- 5.1.3 The residue of goods shall be collected and discharged into the reception facilities in the sea areas within 12 nautical miles (including) away from the nearest land. The residue of goods that do not harm the marine environment can be discharged

in the sea areas over 12 nautical miles (including) away from the nearest land.

- 5.1.4 The animal carcass shall be collected and discharged into the reception facilities within 12 nautical miles (including) away from the nearest land. The animal carcass can be discharged in the sea areas over 12 nautical miles (including) away from the nearest land.
- 5.1.5 In any sea area ,the clean water of cargo hold, deck and external surface containing additives that do not harm the marine environment can be discharged within 12 nautical miles (including) away from the nearest land. Other operating wastes should be collected and discharged into the reception facilities.
- 5.2 In any sea area, the discharging control requirement of garbage mixed by different types should satisfy the discharge control requirement of each types of garbage at the same time.

Legal Consequences

Ships in violation of above discharge requirement may be subject to relevant administrative punishment, such as penalty, according to relevant law/legislation, details of which are listed as below for your kind reference.

- 1. According to article 73 of Marine Environment Protection Law, in the case of any of the following acts in violation of the provisions of this Law, the department empowered by this Law to conduct marine environment supervision and control shall order the violator to stop the illegal act and take corrective action within a prescribed time limit or order the violator to take such measures as restricting production or suspending production for rectification, and impose a fine thereon. Where the violator refuses to take corrective action, the department that makes the punishment decision in accordance with the law may impose continuous fines thereon in the amount of the original fine for each day from the next day after the violator is ordered to take corrective action. If the circumstances are serious, the violator shall be ordered to stop operations or be closed down with the approval of the competent people's government:
- (1) Discharging into any sea area any pollutants or any other substances which is prohibited by this Law. A fine of not less than RMB 30,000 but not more than 200,000 shall be imposed;
- (2) Failing to discharge pollutants into the sea in accordance with the provisions of this Law, or discharging pollutants in excess of standards or total discharge volume control indicators. A fine not less than 20,000 but not more than 100,000 shall be imposed.
- 2. Under article 90 of Water Pollution Prevention and Control Law any ship

dumping garbage or discharging the residual oil or waste oil of the vessel to waters, the maritime safety administration or the competent fishery department shall, according to its own functions, order the violator to stop the violation, and impose a fine of not less than 10,000 but not more than 100,000 on the violator. If any water pollution is caused, the violator shall be ordered to take treatment measures within a prescribed time limit to eliminate the pollution, and be fined not less than 20,000 but not more than 200,000. If the violator fails to take treatment measures within the prescribed time limit, the maritime safety administration or the competent fishery department may, according to its own functions, designate an entity capable of treatment to do it with the required expenses to be borne by the vessel.

3. According to article 45 of Provisions of the People's Republic of China on the Administration of the Prevention and Control of Vessel-Induced Pollution to the Inland Water Environment, ship discharges sewage or sewage with oil into any inland water area beyond the standards or ship discharges noxious liquid substances and their residues or ballast water, tank washing water, and other mixtures containing such substances into inland water areas, the maritime safety administration shall order it to take corrective action, and impose a fine of not less than 20,000 nor more than 30,000 on it.

Implementation

As mentioned in the "Standard", the implementation of this "Standard" shall be under supervision and administration by maritime authorities. Through contacting relevant local authorities, we were advised that there hasn't been any implementation notice of this amended Standard at present and detailed implementation requirement will be issued in the future. We will follow up in this regard in due course.

Owners are recommended to take appropriate measures when discharging water pollutants from ships in China or other sea areas under Chinese jurisdiction from 01.07.2018 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/instruction, please feel free to contact us.

Sincerely yours,

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Yu Limin

President