



APRIL 29, 2010

CIRCULAR NO. 11/10

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

Reference is made 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"), specifically the likely postponement of the requirement that operators of (a) any vessel carrying polluting and hazardous cargoes in bulk, or (b) any other vessel above 10,000 gt enter into a pollution clean-up contract with a Maritime Safety Agency (MSA) approved pollution response company before the vessel enters a PRC port.

The International Group of P&I Clubs understands that this requirement is likely to be postponed further, with the PRC's MSA probably issuing additional rules in the next two to three months. Those rules will most likely deal with spill response contractors and the standards and criteria to which they must adhere, including information on the standard contractual terms under which they will operate. Thereafter, operators will probably have a further three months from issuance of the rules to contract with an approved spill response organization.

It is likely that operators calling at different ports in the PRC during the year will need to contract with an approved spill response organization in each port of call.

The International Group understands that the local MSAs should not be issuing lists of approved contractors until the PRC's MSA has issued these further rules. Members are therefore recommended not to enter into contractual arrangements with a spill response organization 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 Members discuss matters with the Club before entering into any such contracts.

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.

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.