

CIRCULAR REF: 2014/032

**CIRCULATED TO ALL MEMBERS, BROKERS AND DIRECTORS
ATTENTION INSURANCE DEPARTMENT**

**04 DECEMBER 2014
CGT/PO**

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

We refer Members to Circular 2012/044 on the Regulations of the People's Republic of China (PRC) on the Prevention and Control of Marine Pollution from Ships ("the Regulations") and the requirement that owners/operators of (a) any ship carrying polluting and hazardous cargoes in bulk or (b) any other ship above 10,000 GT enter into a pollution clean-up contract with a Maritime Safety Agency (MSA) approved ship pollution response company (SPRO) before the ship enters a PRC port.

Circular 2012/044 informed Members of an amended model spill response contract issued by the China MSA as well as a revised International Group (IG) recommended spill response contract, the content of which was consistent with the MSA's revised Detailed Rules at the time.

The IG has since reviewed the recommended IG spill response contract wording in the light of the experience gained over the last two years and in discussion with different interested parties.

As a result, an amended IG recommended spill response contract wording is attached to the Annex to this circular, with the following footer: "IG Sample Agreement dated 20 November 2014". The wording of the new recommended contract remains consistent with the Regulations and the MSA's Detailed Rules, and takes account of concerns raised with regard to the payment period to SPROs under contract for undisputed sums during the course of an incident, whilst ensuring that the period continues to provide sufficient time to check invoices and documentation provided as evidence of costs incurred.

Since many owners will be signing new spill response contracts with SPROs in the near future, it is recommended that owners sign on the basis of the new IG recommended contract wording. It will not be necessary for owners to change existing spill response contracts with SPROs (that are based on the current IG sample agreement wording with footer "IG Sample Agreement dated 20 November 2012") where such contracts have not yet expired.

Any Member requested to agree to a variation of the attached recommended contract is advised to check with the Club to ensure that such variations do not cause the contract to fall outside the scope of the IG Guidelines.

CIRCULAR

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The North of England P&I Association Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the UK.

If Members are in any doubt about the contract then it is recommended that they contact the Club before contracting with any SPRO.

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

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