

CHINA MSA PROVIDES GUIDANCE ON 2020 SULPHUR CAP

Ingosstrakh's P&I Correspondent for Chinese region Huatai Insurance Agency & Consultant Service Ltd. provides guidance on the MSA's implementation scheme, and, in particular, detailed explanation how it will impact foreign-flagged vessels.

Briefly, P&I Correspondent gives following recommendations:

AA. Ship should meet the requirements mentioned in "Implementation Scheme of 2020 Global Marine Fuel Oil Sulphur Cap" when entering Chinese waters in line with the required timeline.

BB. Optimize route for bunkering at large port to ascertain the quality of fuel oil.

CC. Before entering into port, ensure that all documents related to MARPOL Annex VI are complete and up-to-date.

DD. Make preparation for cleaning tank & spare tank in advance.

EE. Keep all documents supporting the alternative measures adopted by ships meet with the equivalent requirements set out in Article 4 of MARPOL Annex VI on board.

FF. Train the crew, especially the management company, the master and the chief engineer shall be familiar with the circumstances under which FONAR can be used, how to prepare and fill in the FONAR (in particular, relevant evidence of striving to obtain compliance fuel), and the FONAR is submitted to whom.

Full text of Huatai Circular may be read [here](#).

NEW REGULATION FOR NAVIGATION IN ARGENTINA (REGINAVE)

Argentinian P&I Correspondent Pandl Liquidadores advises on recent change in navigation rules in country. It is one of the main regulatory bodies which is under the control of the Prefectura Naval Argentina (PNA) (Coast Guards - CG), as Maritime Authority, who also investigates and, eventually, sanctions any infringement to it. The REGINAVE was originally enacted by Decree 4516 of 16th May 1973 and the CG had limited faculties to sanction foreign seafarers or foreign shipowner for infringements under the REGINAVE. Normally, the CGs was not able to impose fines to foreign crewmembers but only to notify their findings through diplomatic channels to the concerned flag's

administration and/or to the country which issued the license of the involved seafarer. On 13th November 2019, Decree 770/2019 was enacted repealing the original REGINAVE and enacting a new REGINAVE. The Decree was published on 14th November 2019 and would enter into force 8 days after its publication date. The REGINAVE is an integral regulatory code (as it was then). However significant changes have been introduced, which are underlined below for Insureds' attention:

1. FOREIGN SEAFARERS AND SHIOPWNERS CAN BE SANCTONED BY CG

CGs is now entitled to IMPOSE FINES ON foreign individuals or companies which are found to be in breach of the REGINAVE or other MARITIME AND ENVIRONMENTAL REGULATIONS/LAWS.

2. INCREASE OF FINE AMOUNTS

In the REGINAVE, both in the original as the new one, the fines are expressed in Unidades de Multa (UM – units of fine). Before, each UM was worth AR\$ 1.5 and the maximum fine amounted to 60,000 UM equivalent to AR\$ 90,000 (today about US\$ 1,500). Now, each UM is worth AR\$ 10 and the maximum fine seems to amount to 3.000.000 UM equivalent to AR\$ 30,000,000 (today about US\$ 500,000). Moreover, the UM will be adjusted annually according to the inflation rates UNDER INDEC (NATIONAL INSITUTE OF STATISTICS AND CENSUS).

3. DIRECT AND INDIRECT LIABILITY OF THE SHIOPWNERS

Within the old regime, the infringements endorsed to the seafarers were pursued personally against the seafarers; and those endorsed to the shipowners were pursued against the shipowners. Therefore, if the shipowners were not in infringement personally, then they had no administrative responsibility for their seafarers. Now, the Companies could be held liable for the infringements committed by their agents and by those who act on their behalf. Therefore, it is possible for the shipowners to be held liable together with the seafarer who committed an infringement (or any other servant acting on Owners' behalf).

4. CG IS ENTITLED TO DETAIN THE VESSEL UNTIL SECURITY IS OBTAINED

The CG is now entitled to detain any foreign vessel in which an infringement was committed, until any fine is paid or guaranteed by a National Individual or Entity which provides sufficient financial guarantee at the discretion of the CGs.

At this stage in accordance with the new regulations the guarantee would need to be personal bond, asset-backed security (e.g. cash) or sureties which prove to be sufficient financial security at CGs discretion. It is uncertain at present time whether LOU will be accepted by the Maritime Authority at the end of the day. At the service of the marine industry since 1970.

The above-mentioned comments are only preliminary ones as the new regulation just came out. P&I Correspondent will advise on further implementation and its effects.

SENEGAL: CUSTOMS FINES

P&I Correspondent for West African region TCI AFRICA warns against reinforced Customs control as Authorities have recently taken the decision to follow up discharge operations of vessels carrying bagged or bulk cereals and other bulk cargo in order to sanction any substantial shortage or excess of cargo recorded by their own surveyor or by stevedores. A precautionary tally survey is therefore strongly recommended to ascertain the discharged quantity and defend ship's interests against disproportionate Customs fines. Senegalese Customs reportedly have decided to become less tolerant and have taken a new stance on the level of fines, which has significantly increased over the last weeks. For instance, recently a fine of Euro 2,333,025 was imposed for mere mistakes on the declaration of cargo manifest and finally negotiated at Euro 304,898.

Insureds are therefore strongly recommend to instruct their ship's Masters calling at Dakar port to:

1. Prepare their Dakar Customs declarations prior to berthing
2. Personally receive the Customs officers on board for formalities in company with the ship's agent.
3. Ensure that All consumables on board, including bunkers, Lube Oil and stores (food, chemicals, CO₂, foam, extinguishers, paint, crew personal effects etc) are accurately declared.
4. Properly declare the cargo manifest for Dakar (together with the cargo in transit, if any)
5. Place all the Customs papers in a separate file to be counter checked by the ship's agent before their presentation to the Customs boarding officer.

Below is a list of items for which declaration is usually demanded by the Customs (with specification in quantities in Mt, litres, Kg.....etc, whatever is applicable):

Paint inventory

- Crew list
- Cargo manifest (with goods in transit, if any)

- Bills of Lading
- Crew effects
- Ports of call list
- Bonded store
- Food provisions
- Chemicals
- Fire extinguishers
- Foam
- CO2 (fixed and portable)

Bunker declaration

- Fuel oil
- Diesel oil
- Gas Oil

Lube oil declaration

- Oil in tanks (including in sump tanks)
- Oil in drums
- Oil in cans
- Oil in use (in engines, cranes, winches, stern tube etc)
- Used oil (sludge)

The total quantity of bunkers and lube oil for each item must be confirmed by its corresponding detailed inventory. Any discrepancy between the declared quantity and the inventory will be sanctioned.

The declared quantity of bunkers and lube oil must also be identical to the actual quantity in the tanks on ship's berthing as the Customs usually request confirmation by sounding.

Kindly note that the Customs declaration is irrevocable and the Master's good faith is not taken as an excuse. No additional declaration, correction or amendment is authorized, hence the need to carefully check the documents before submitting them to the customs.