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REGULATIONS OF THE PEOPLE'S REPUBLIC OF CHINA ON THE PREVENTION AND CONTROL OF VESSEL-INDUCED MARINE ENVIRONMENT POLLUTION has been approved by the Executive Meeting of the State Council on September 2, 2009. It is now promulgated. The Regulations will come into force as March 1, 2010.

Prime Minister WEN JIA BAO

September 9, 2009

REGULATIONS OF THE PEOPLE'S REPUBLIC OF CHINA ON THE PREVENTION AND CONTROL OF VESSEL-INDUCED MARINE ENVIRONMENT POLLUTION

Chapter I General Provisions

Article 1 In accordance with MARINE ENVIRONMENTAL PROTECTION LAW OF THE PEOPLE'S REPUBLIC OF CHINA, the Regulation are formulated for the purpose of preventing and controlling pollution damage to the marine environment caused by vessels and its relevant operations.

Article 2 The Regulation shall apply to the prevention and control of pollution damage to the marine environment caused by vessels and its relevant operations in the sea areas under the jurisdiction of the People's Republic of China.

Article 3 The principle of combining prevention and control together with prevention first shall apply to the prevention and control of pollution damage to the marine environment caused by vessels and its relevant operations.

Article 4 The Competent Authorities of Transport under the State Council shall be in charge of the prevention and control of pollution damage to the marine environment caused

by non-military vessel over the waters of the port areas, and by non-fishing and non-military vessel outside the waters of the port areas.

The Maritime Administration shall, in accordance with the Regulations, be in charge of the supervision and administration of prevention and control of pollution damage to the marine environment caused by vessels and its relevant operations.

Article 5 The Competent Authorities of Transport under the State Council shall, in accordance with the requirements of prevention and control of pollution damage to the marine environment caused by vessels and its relevant operations, organize and formulate the construction planning which can meet the emergency of prevention and control of pollution damage to the marine environment caused by vessels and its relevant operations, and publicize and implement the construction planning after acquiring the permit of State Council.

The people's governments of the coastal cities and the upper level that are divided into districts shall, in accordance with the construction planning approved by the State Council which can meet the emergency of prevention and control of pollution damage to the marine environment caused by vessels and its relevant operations, and by considering its local actual condition, organize and formulate the relevant construction planning which can meet the emergency of prevention and control of pollution damage to the marine environment caused by vessels and its relevant operations

Article 6 The Competent Authorities of Transport under the State Council and the people's governments of the coastal cities and the upper level that are divided into districts shall establish and improve the emergency response system of prevention and control of pollution damage to the marine environment caused by vessels and its relevant operations, and enact the emergency preplan of prevention and control of pollution damage to the marine environment caused by vessels and its relevant operations.

Article 7 The Maritime Administration shall, in accordance with the requirements of prevention and control of pollution damage to the marine environment caused by vessels and its relevant operations, together with the competent authorities for marine affairs, establish and perfect the monitoring and surveillance system of pollution damage to the marine environment caused by vessels and its relevant operations, strengthen the monitoring and surveillance of pollution damage to the marine environment caused by vessels and its relevant operations.

Article 8 The Competent Authorities of Transport under the State Council and the people's governments of the coastal cities and the upper level that are divided into districts shall, in accordance with the emergency response system of prevention and control of pollution damage to the marine environment caused by vessels and its relevant operations,

establish the professional emergency response team and emergency response depot with professional and appropriate reaction facilities, equipments and devices.

Article 9 All units and individuals shall, upon discovering actual or possible pollution damage to the marine environment caused by vessels and its relevant operations, report it immediately to the Maritime Administration nearby.

Chapter II General Stipulations on Prevention and Control of Pollution Damage to the Marine Environment Caused by Vessels and its Relevant Operations

Article 10 The structures, equipments and facilities of a vessel shall satisfy with the relevant technical specifications of the prevention and control of pollution damage to the marine environment caused by vessels and the requirements of the international treaties concluded or acceded to by the People's Republic of China.

A vessel shall, in accordance with the requirements of the law, the administrative regulations, the regulations promulgated by the Competent Authorities of Transport under the State Council and the international treaties concluded or acceded to by the People's Republic of China, acquire and carry onboard the relevant certificates and documents in respect of the prevention and control of pollution damage to the marine environment caused by vessels.

Article 11 The owners, operators and managers of the Chinese vessels shall, in accordance with the regulations promulgated by the Competent Authorities of Transport under the State Council, establish and perfect the management system of safe operation and prevention and control of pollution damage to the marine environment caused by vessels.

The Maritime Administration shall examine and verify the management system of safe operation and prevention and control of pollution damage to the marine environment caused by vessels. The document of compliance and the relevant safety management certificate shall be issued if the examination and verification is qualified.

Article 12 The ports, docks, loading and unloading places and the units engaged in building and repairing the vessels shall equip the appropriate facilities adapting to the type and capacity of goods loaded or unloaded or the abilities to build and repair the vessels to monitor the pollution and receive the pollutants, and maintain these facilities in good order and condition.

Article 13 The ports, docks, loading and unloading places and the units engaged in repairing and building, salvaging and disassembling of the vessels shall establish the

management rules in relation to the safe operation and the prevention and control of pollution, equip the relevant prevention and control facilities and equipments in accordance with the relevant national rules and standards in respect of the prevention and control of pollution damage to the marine environment caused by vessels and its relevant operations, and pass the special inspection and acceptance of Maritime Administration.

The ports, docks, loading and unloading places and the units engaged in repairing and building, salving and disassembling the vessels shall make periodic inspection and maintain the relevant prevention and control facilities and equipments to ensure the relevant prevention and control facilities and equipments meet the requirements of the prevention and control of pollution damage to the marine environment caused by vessels and its relevant operations.

Article 14 The owners, operators or managers of the vessels and the relevant operation units shall work out the emergence response preplan of the prevention and control of pollution damage to the marine environment caused by vessels and its relevant operations and submit it to the Maritime Administration for approval.

The operators of ports, docks, loading and unloading places shall work out the emergence response preplan of the prevention and control of pollution damage to the marine environment caused by vessels and its relevant operations and submit it to the Maritime Administration for records.

The vessels, ports, docks, loading and unloading places and the relevant operation units shall, in accordance with the emergency response preplan, organize drills regularly and make proper records.

Chapter III Discharging and Receiving of Vessels' Pollutants

Article 15 The discharging of vessels' pollutants such as garbage, domestic sewage, oil containing sewage, poisonous and noxious substances containing sewage, exhaust gas and ballast from the vessel to the sea areas under the jurisdiction of the People's Republic of China shall satisfy with the requirements of the law, the administrative regulations, the international treaties concluded or acceded to by the People's Republic of China and the relevant standards.

Any vessel shall discharge the pollutants, which do not satisfy with the above discharging requirements, to the receiving facilities of ports. The said pollutants shall be received by the receiving units of vessels' pollutants.

Any vessel shall not discharge its pollutants to the designated marine sanctuaries, the seashore scenic areas, the important aquaculture grounds and the other sea areas that need special protections.

Article 16 Where the pollutants of a vessel are disposed, the vessel shall truthfully record the disposals in the relevant record book.

The vessels shall keep onboard the Vessel Garbage Record Book after being used for two years and keep onboard the used Vessel Oil Containing Sewage, Poisonous and Noxious Substances Containing Sewage Record Book after being used for three years.

Article 17 When engaging in the receiving operations of vessels' garbage, residual oil, oil containing sewage, poisonous and noxious substances containing sewage, the receiving units of vessels' pollutants shall acquire the permit from the Maritime Administration in accordance with the law.

Article 18 When receiving the vessels' pollutants, the receiving units of vessels' pollutants shall issue the pollutants-receiving documents to the vessel. The documents shall be signed and confirmed by the master.

The vessels shall, depending on the pollutants-receiving documents, apply for the certificate of receiving pollutants to the Maritime Administration and keep the certificate in the relevant record book.

Article 19 The receiving units of vessels' pollutants shall, in accordance with the relevant state regulations governing control of the pollutants, dispose the vessels' pollutants received and report the situations of receiving and disposal of vessels' pollutants to the Maritime Administration for record monthly.

Chapter IV Prevention and Control of Pollution Damage to the Marine Environment Caused by the Relevant Operations of Vessels

Article 20 Those engaging in cleansing and washing the cabin, providing and receiving the oils, loading and unloading operation, lightering operation, repairing and building, salvaging, disassembling, packaging and canning the hazardous goods, cleaning up the contamination and construction operation and underwater and on water engineering by the vessels, shall strictly comply with the relevant rules and procedures and take necessary measures of the safety and the prevention and control of pollution.

Any one who engages in the operations regulated by the preceding paragraph shall have the necessary knowledge and skills in respect of the safety and the prevention and control of pollution.

Article 21 Vessels that do not meet the requirements of carrying the hazardous goods shall not carry the hazardous goods. And the dock, loading and unloading places

shall not perform the loading and unloading operation for the vessels.

The list of the hazardous goods shall be published by the National Maritime Administration.

Article 22 For a vessel carrying the cargo with pollution harmfulness wants to sail in or out a port, the carrier, the owner of cargo or the agent shall apply for the permit to the Maritime Administration. After getting the permit, the vessel can sail in or out the port, stop over or perform loading and unloading operations.

Article 23 A vessel carrying the cargo with pollution harmfulness shall perform the loading and unloading operation at the dock or loading and unloading place admitted by the Maritime Administration which has the relevant ability to load and unload the cargo and treat the pollutants safely.

Article 24 When delivering and shipping the cargo with pollution harmfulness to a vessel, the owner of cargo or its agent shall ensure the packages and the marks of the cargo in compliance with the relevant regulations on the safety, the prevention and control of pollution and give clear indications of the technical names, serial numbers, classification (nature), quantity, cautions and emergency response measures of the goods on the shipping documents.

When delivering and shipping the cargo with unclear pollution harmfulness to a vessel, the owner of the cargo or its agent shall apply for the harmfulness assessment which shall be conducted by an assessment institution recognized by the Maritime Administration. After the harmfulness of the cargo and the requirement in respect of the safety and the prevention and control of pollution being clarified, the cargo can be delivered to the vessel for shipment.

Article 25 Provided that the Maritime Administration is of the opinion that the pollution harmfulness cargo delivered for shipment shall be declared but it is not or the contents of the declaration do not fit the actual conditions, they are entitled to perform open-package inspections, etc., in accordance with the regulations of the Competent Authorities of Transport under the State Council.

The owner of cargo with pollution harmfulness or its agents shall be on the spot when the Maritime Administration performs the inspections and in charge of moving the cargo, opening and re-sealing the packages of the cargo. Provided that the Maritime Administration thinks it is necessary, they are entitled to directly perform inspections, re-inspections or pick out random samples for examination. The relevant units and individuals shall cooperate.

Article 26 When performing the lightering operation of the bulk liquid cargo with pollution harmfulness, the carrier, the owner of the cargo or its agent shall apply for the permit to the Maritime Administration, notify the place of operation and submit the relevant materials such as the plan of lightering operation, the procedure of operation and the measure of prevention and control of pollution.

The Maritime Administration shall make the decision on whether to grant the permit or not within two working days counting from the date of receiving the applications. If the decision could not be made within 2 working days, after getting the approval of the director of the Maritime Administration, the time-limit may be extended by another 5 working days.

Article 27 The units lawfully qualified for supplying and receiving the ship's fuels shall report to the Maritime Administration for record. The Maritime Administration shall supervise and inspect the operations of supplying and receiving the ship's fuels. If the operation does not meet the requirements of the safety and the prevention and control of pollution the operation shall be stopped.

Article 28 The vessel-fuel-supplying units shall truthfully fill the documents of the supplying and receiving of the ship's fuel and provide the documents and the sample of fuel to the vessels.

The vessels and vessel-fuel-supplying units shall keep the documents of the supplying and receiving of the ship's fuel for three years and properly and carefully keep the sample of fuel for one year.

Article 29 The places of the repairing and building, the dissembling of the vessels shall be in compliance with the environmental function zoning and marine function zoning. The places shall be identified and made public by the Maritime Administration after consulting the opinions of the local competent authorities of environmental protection and marine affairs.

Article 30 Before dissembling a vessel, the unit engaging in the vessel dissembling shall dispose the residuals and the wastes onboard, pump out the remaining oil from the tanker, wash and cleanse the cabins and perform the explosive test, etc. Where the work is verified by the Maritime Administration, the unit may start to dissemble the vessel.

The unit engaging in the vessel dissembling shall clean the dissembling scene timely and dispose of the pollutants produced by the dissembling operations in accordance with the relevant State regulations.

It is prohibited to dissemble the vessels by way of beach breakup.

Article 31 The vessels are prohibited to transfer dangerous waste through the inland water and territorial sea of People's Republic of China.

It should be approved in advance in writing by the Competent Authorities of Environmental Protection under the State Council when transferring dangerous wastes through other sea areas under the jurisdiction of People's Republic of China. The vessels shall be kept on the course designated by the Maritime Administration and the positions shall be reported periodically.

Article 32 When dumping wastes to the seas by means of vessels, the documents of approval granted by the competent authorities of marine affairs shall be submitted to the local Maritime Administrations where the departure ports locate. The departure visas of the vessels may be issued only after the approval has been verified.

When dumping the wastes to the seas, the vessels shall truthfully record the conditions of the dumping. A report in writing shall be submitted to the Maritime Administration where the departure port locates after the vessel returns to the port.

Article 33 The operators of the vessels carrying bulk liquids cargo with the pollution harmfulness and the other vessels with a gross tonnage of ten thousand tons or more shall reach the pollution clean-up agreements with the units qualified for pollution clean-up before the starting of the clean-up operations or entering or leaving the ports. The agreements shall clearly define the rights and obligations of both parties for the pollution clean-ups once the pollution accidents happened.

After an occurrence of a pollution accident, the pollution clean-up unit who has concluded the pollution clean-up agreement with the operator of the vessel shall perform the pollution clean-up work timely in accordance with the pollution clean up agreement.

Article 34 The units who want to apply for and acquire the qualification of pollution clean-up shall make the application in writing to the Maritime Administrations and submit the following required documents:

- (1) The equipped pollution clean-up facilities, equipments, materials and personals are in compliance with the regulations of the Competent Authorities of Transport under the State Council.
- (2) The pollution clean-up plan formulated is in compliance with the requirements of the prevention and control of the pollution caused by vessels and its relevant operations.
- (3) The schemes for disposing the pollutants are in compliance with the relevant State regulations in respect of the prevention and control of the pollution.

The Maritime Administrations shall finish the examination within thirty working days counting from the date of receiving the applications and grant the qualifications to the units that meet the requirements. For the applicants whose conditions do not satisfy with the

requirements, the notices in writing and the reasons for refusing shall be given.

Chapter V Emergency Disposal of Vessel-Induced Pollution Incidents

Article 35 The vessel-induced pollution incident as referred to in this Regulation means the marine environmental pollution incident caused by the leakage of the oils, oil mixtures and other hazardous and noxious substances from a vessel and its relevant operation.

Article 36 The vessel-induced pollution incidents shall be ranked as follows:

- (1) The tremendous serious major vessel-induced pollution incident refers to the vessel-induced pollution incident the oil-spill amount of which is more than one thousand tons, or resulting in more than two hundred million Yuan direct economic loss;
- (2) The serious major vessel-induced pollution incident refers to the vessel-induced pollution incident the oil-spill amount of which is more than five hundred tons but less than one thousand tons, or resulting in more than one hundred million Yuan but less than two hundred million Yuan direct economic loss;
- (3) The major vessel-induced pollution incident refers to the vessel-induced pollution incident the oil-spill amount of which is more than one hundred tons but less than five hundred tons, or resulting in more than fifty million Yuan but less than one hundred million Yuan direct economic loss;
- (4) The general vessel-induced pollution incident refers to the vessel-induced incident the oil-spill amount of which is less than one hundred tons, or resulting in less than fifty million Yuan direct economic loss.

Article 37 The vessel, that causes the pollution incident in the sea areas under the jurisdiction of the People's Republic of China, or causes the pollution incident in the sea areas outside the jurisdiction of People's Republic of China but the pollution incident causes or may cause the pollution in the sea areas under the jurisdiction of the People's Republic of China, shall activate the relevant emergency response preplan immediately, take measures to control and eliminate the pollution and report the incident the nearby Maritime Administration.

Upon discovering that the vessel and its relevant operations may cause the pollution damage to the marine environment, the vessel, dock, loading and unloading place shall take the relevant emergency response measures and report it to the nearby Maritime Administration.

Upon receiving the report, the Maritime Administration shall verify the relevant situations immediately and report it to the upper-level Maritime Administration or the Competent Authorities of Transport under the State Council, and meantime report it to the

relevant people's governments of the coastal cities and the upper level with the divided districts.

Article 38 The Report of Vessel-Induced Pollution Incident shall include the following contents:

- (1) The name, nationality, call sign or serial number of the vessel;
- (2) The names and addresses of the owner, operator or manager of the vessel;
- (3) The time, location and relevant conditions of hydrology and meteorology of the incident;
- (4) The causes of the incident or the preliminary judgment of the cause;
- (5) The general condition of the type, quantities and the location of the pollutants onboard;
- (6) The degree of the pollution;
- (7) The measures of control and removal of the pollution that have been taken or are to be taken, the situation of pollution control and the salvage requirements;
- (8) Other items that shall be reported under the regulations of the Competent Authorities of the Transport under the State Council.

Where any new situation emerged after the Report of Vessel-Induced Pollution Incident being made, the new report shall be timely made by the vessel and the relevant unit.

Article 39 Where a tremendous serious major vessel-induced pollution incident occurs, the State Council or the Competent Authorities of Transport under the State Council under the authorization of the State Council shall establish the command organization for emergency;

Where a serious major vessel-induced pollution incident occurs, the people's government of the relevant province, autonomous region, municipality directly under the Central Government shall, together with the Maritime Administration, establish the command organization for emergency;

Where a major or general vessel-induced pollution incident occurs, the people's governments of the relevant cities with the divided districts shall, together with the Maritime Administration, establish the command organization for emergency;

The relevant departments and/or units shall, under the unified organization and command of the command organization for emergency, carry out the relevant emergency disposal work in accordance with the division of labour set by the emergency preplan.

Article 40 Where the vessel is in danger of sinking after the incident, the crews shall shut down as many as possible the cargo compartments (containers), the valves of pipeline of oil compartments (tanks), and blind up the vents of the cargo compartments (containers) and oil compartments (tanks)

Where the vessel sunk, the owner, operator and manager of the sunken vessel shall

report timely to the Maritime Administration in respect of the bunker of the vessel, the cargo with the pollution harmfulness and the nature, quantities, type and location of the other pollutants, and take action timely and swiftly to remove it.

Article 41 Where the occurrence of a vessel-induced pollution incident or a foundering of ship may cause the pollution damage to the sea areas under the jurisdiction of the People's Republic of China, the relevant people's governments of the coastal cities and the upper level with the divided districts and the Maritime Administrations, in accordance with the emergency disposition, may requisition the vessels, and equipments, facilities, appliances for the prevention and control of pollution, and other materials owned by the relevant units or individuals, in which circumstance such relevant units and individuals shall cooperate with the requisition.

The vessels and equipments, facilities, appliances for the prevention and control of pollution, and other materials that have been requisitioned shall be returned timely after the emergency disposition finishes. In the event that the vessels, equipments, facilities, appliances for the prevention and control of pollution, and other materials have been requisitioned, or loss or damage has been caused in the requisition, compensation shall be accorded.

Article 42 Where a vessel-induced pollution incident occurs, the Maritime Administration may take necessary measures, including removal, salvage, towage, pilotage and lighterage, to mitigate the pollution damage. The relevant expenses arising from such measures shall be borne by the ship and/or the unit that is responsible for the pollution to the marine environment.

The vessels responsible for the expenses referred to in the preceding paragraph shall effect the payment or provide a proper financial security before the beginning of the voyage

Article 43 The oil spill dispersant used in the handling of a vessel-induced pollution incident shall be in compliance with the national standard.

The Maritime Administration shall make public timely the index of oil-spill dispersants that are in compliance with the national standard.

When using the oil-spill dispersants to dispose a vessel-induced pollution incident, the vessel and/or the relevant units shall observe the relevant provisions of Marine Environmental Protection Law of the People's Republic of China.

Chapter VI Investigation and Handling of Vessel-Induced Pollution Incidents

Article 44 The investigation and the handling of vessel-induced pollution incidents shall be conducted in accordance with the following provisions:

(1) The investigation and handling of a tremendous serious major vessel-induced pollution incident shall be conducted by the State Council or the Competent Authorities of Transport under the State Council, etc., under the authorization of the State Council;

(2) The investigation and handling of a serious major vessel-induced pollution incident shall be conducted by the State Maritime Administration.

(3) The investigation and handling of a major vessel-induced pollution incident and a general vessel-induced pollution incident shall be conducted by the Maritime Administrations at the places of incidents.

In the event that damage to fishery has been caused by the vessel-induced pollution incident, the competent authorities of fishery shall be invited to participate in the investigation and handling. In the event that damage to waters of military harbors has been caused, the competent authorities of military shall be invited to participate in the investigation and handling.

Article 45 Where a vessel-induced pollution incident occurs, the organs or the Maritime Administration responsible for the investigation and handling of the incident shall promptly, objectively and fairly conduct the investigation, examine on the spot, inspect the relevant vessel, inquire the relevant persons, collect the evidence and find out the reasons of the incident.

Article 46 The organs or the Maritime Administration responsible for the investigation and handling of the incident may, depending on the requirements of the investigation and handling of the incident, detain the relevant certifications, documents, materials temporarily. If necessary, the organs or the Maritime Administration may prevent the vessels from departing the harbor, or order the vessels to suspend the navigation, change the course, stop the operation or even detain the vessels temporarily.

Article 47 In the event that the technical authentication or inspection or test are needed for the investigation and handling of the incident, such authentication or inspection or test shall be conducted by the institutions recognized by the Competent Authorities of Transport under the State Council.

Article 48 When the organs or the Maritime Administration are authorized to organize the investigation and handling of the incident, the involving parties and other persons relating to the vessel-induced pollution incident shall truly demonstrate the conditions and provide the relevant materials, and not forge, conceal, destroy the evidence or impede the investigation or evidence-searching in other ways.

Article 49 The Responsibility Report of Incident shall be made and served to the involving parties by the organs or the Maritime Administration responsible for organizing the investigation and handling of the incident within 20 working days after the investigation of the incident finishes.

The accident report shall specify the basic facts of the incident, the causes of the incident and the liability of the incident.

Chapter VII Compensation for Pollution Damage Caused by Vessels

Article 50 Any parties that have caused the pollution damage to the marine environment shall be responsible for removing the hazard and making compensation for the damage; In the event of pollution damage to the marine environment resulting entirely from the intentional or negligent act of a third party, that party shall be responsible for removing the hazard and making compensation for the damage.

Article 51 Compensation liability may be exempted, if the pollution damage to the marine environment cannot be avoided despite prompt and reasonable measures taken, when the pollution damage is caused by any of the following circumstances:

- (1) War;
- (2) Irresistible natural calamities; or
- (3) Negligence or other reckless acts of the departments responsible for the maintenance of lights or other aids to navigation in the exercise of that function.

Article 52 With regard to the limitation of liability for pollution damage caused by vessels, provisions of Maritime Code of the People's Republic of China in respect of the limitation of liability for maritime claims shall apply. However, with regard to the limitation of liability for pollution damage caused by vessels carrying persistent oils in bulk to sea areas under the jurisdiction of the People's Republic of China, the provisions of the international treaties concluded or acceded to by the People's Republic of China shall apply.

The term "persistent oils" as referred to in the preceding paragraph means any of the persistent hydrocarbon mineral oil.

Article 53 The owner of a vessel navigating on the sea areas under the jurisdiction of the People's Republic of China shall acquire the coverage of the civil liability insurance of vessel-induced oil pollution damage or the relevant financial securities. However, vessels

of less than 1000 tons gross tonnage carrying cargos other than oils are not included.

The coverage of the civil liability insurance of vessel-induced oil pollution damage or the relevant financial securities shall not be lower than the limitation amount provided by Maritime Code of the People's Republic of China or by the international treaties concluded or acceded to by the People's Republic of China.

The commercial insurance institutions and the mutual insurance institutions that can provide the coverage to oil pollution damage caused by vessels shall be identified and made public by the State Maritime Administration after seeking the comments from the Insurance Regulatory institution under the State Council.

Article 54 In respect of a vessel with Chinese nationality which has been covered by the civil liability insurance of vessel-induced oil pollution damage or the relevant financial securities in accordance with Article 53 of the Regulations, the owner shall apply for the civil liability insurance certificate or the financial security certificate from the Maritime Administration at the port of registry of the vessel with presentation of the Certificate of Nationality, the insurance policy of vessel-induced oil pollution damage or the evidence of financial security.

Article 55 Where a vessel-induced oil pollution incident occurs, the necessary expenses incurred by the relevant units under the organization of the State when carry out the emergency disposition and the removal of the pollution shall be compensated with priority.

Article 56 The cargo owners or their agents who receive persistent oil cargos carried by sea within sea areas under the jurisdiction of the People's Republic of China shall pay the vessel-induced oil pollution compensation fund.

The specific rules on collecting, using and managing the vessel-induced oil pollution compensation fund shall be worked out by the Competent Authority of Finance under the State Council jointly with the Competent Authority of Transport under the State Council.

The State shall establish the Vessel-Induced Oil Pollution Compensation Fund Regulatory Commission who will be in charge of dealing with the compensation of the Vessel-Induced Oil Pollution Compensation Fund. The Vessel-Induced Oil Pollution Compensation Fund Regulatory Commission shall consist of the relevant administrative organs and the important cargo owners who have paid the vessel-induced oil pollution compensation fund.

Article 57 In respect of the disputes arising from the compensation of vessel-induced pollution damage, the involving parties may apply for the mediation of the Maritime Administration, refer to arbitration or file the legal suit at People's Court.

Chapter VIII Legal Liability

Article 58 In case of violation of the Regulation by vessels or the relevant units in operation, the Maritime Administration shall order the correction of the defaults be made. In the event that the defaults are refused to be corrected, the Maritime Administration may order that the relevant operation ceased, cargos discharged compulsorily, vessels prevented from entry into and out of the port/berth or transit stopover, or order that the navigation suspended, the course changed, vessels depart from the waters under the jurisdiction of People's Republic of China, or sail to the designated site.

Article 59 In case of violation of the Regulation that the structure of a vessel is not in compliance with the national technical specifications or the requirements of relevant international treaties in respect of the prevention of vessel-induced marine pollution, a fine of not less than 100,000 RMB yuan and not more than 300,000 RMB yuan shall be imposed by the Maritime Administration.

Article 60 Any of the following acts which are in violation of the Regulation shall be punished by the Maritime Administration in accordance with the provisions of Marine Environmental Protection Law of the People's Republic of China:

(1) Failure of acquiring the certificates and documents in respect of the prevention and control of vessel-induced marine pollution and carrying the same onboard the vessel;

(2) Failure of equipping the vessel, harbour, wharf and loading and discharging station with appliances and facilities for the prevention of pollution;

(3) The discharge of pollutants, which are prohibited to be discharged in accordance with the Regulation, from vessels into sea areas;

(4) Failure of truly recording the disposition of the pollutants onboard.

(5) The discharge of pollutants at an amount more than allowed from the vessel into sea areas;

(6) The operation of ship dissembling on sea surface which causes pollution damage to the marine environment.

Article 61 In case of violation of the Regulation that the records of pollutants disposition are not kept on files onboard, or such records are not in compliance with the amount of pollutants which are produced in the operation of the vessel, a fine of not less than 20,000 RMB yuan and not more than 100,000 RMB yuan shall be imposed by the Maritime Administration.

Article 62 In case of violation of the Regulation that the units that receive pollutants from vessels have been engaged in the operation of receiving the garbage, residual oil, oil-polluted water, polluted water with hazardous and noxious substances without the authorization of the Maritime Administration, a fine of not less than 10,000 RMB yuan and not more than 50,000 RMB yuan shall be imposed by the Maritime Administration. In the event that such unauthorized operation has caused pollution to the marine environment, a fine of not less than 50,000 RMB yuan and not more than 2500, 000 RMB yuan shall apply.

Article 63 In case of violation of the Regulation that a vessel fails to acquire the certificate in respect of the receipt of pollutants or an unit in respect of receiving pollutants from vessels fails to file the receiving and handling of pollutants from the vessel to the Maritime Administration, a fine of not more than 20,000 RMB yuan shall apply by the Maritime Administration.

Article 64 Any of the following cases which are in violation of the Regulation shall be imposed a fine of not less than 2,000 RMB yuan and not more than 10,000 RMB yuan by the Maritime Administration:

- (1) Failure of a vessel to keep the certificate in respect of the receipt of the pollutants in accordance with the Regulation;
- (2) Failure of a bunker supply unit to fill out the documents in respect of the bunker supplying and receiving accurately;
- (3) Failure of a bunker supply unit to provide the documents in respect of the bunker supplying and receiving and the samples of the bunker to vessels;
- (4) Failure of a vessel and a bunker supply unit to keep the documents in respect of the bunker supplying and receiving and samples of the bunker in according to the Regulation.

Article 65 Any of the following cases which are in violation of the Regulation shall be imposed a fine of not less than 20,000 RMB yuan and not more than 100,000 RMB yuan by the Maritime Administration:

- (1) Failure of a vessel carrying the cargos with pollution harmfulness to comply with the requirements in respect of the conveyance of such dangerous goods.
- (2) Failure of vessels carrying the cargos with pollution harmfulness to undertake the

loading and discharging operations at the wharfs and loading/discharging stations with the ability of safe loading and discharging of the pollutants as well as the ability of safe disposition of the pollutants;

(3) Failure of cargo owners or their agents to assess the harmfulness of the cargos with unclear pollution harmfulness in accordance with the Regulation.

Article 66 In case of violation of the Regulation that a vessel with the cargos with pollution harmfulness onboard enter into or out of the harbor, or transit for stopover, or undertake the operation of loading and discharging or lightering, without the authorization of the Maritime Administration, a fine of not less than 10,000 RMB yuan and not more than 50,000 RMB yuan shall apply.

Article 67 Any of the following cases which are in violation of the Regulation shall be imposed a fine of not less than 20,000 RMB yuan and not more than 100,000 RMB yuan by the Maritime Administration:

(1) Failure of shipowner or operator to report to the Maritime Administration promptly in respect of the nature, quantity, type, specific location of the bunker, the cargos with pollution harmfulness as well as other pollutants in case of foundering of the vessel from an incident;

(2) Failure of shipowner or operator to take measures promptly to remove the bunker, the cargos with pollution harmfulness as well as other pollutants in case of foundering of the vessel from an incident.

Article 68 Any of the following cases which are in violation of the Regulation shall be imposed a fine of not less than 10,000 RMB yuan and not more than 50,000 RMB yuan by the Maritime Administration:

(1) Failure of the operator of a vessel carrying bulk liquids cargos with pollution harmfulness and a vessel with a gross tonnage of 10,000 ton and above to conclude the pollution clean-up agreements in according to these Regulations;

(2) An unit who is not qualified for the clean-up of pollution concludes the pollution clean-up agreement without authorization and actually engages in cleaning up the pollution.

Article 69 In case of violation of the Regulation that a vessel and/or a relevant unit in operation fail(s) to start the emergency response preplan immediately upon the occurrence of the vessel-induced pollution, the vessel and/or the unit shall be imposed a fine of not less than 20,000 RMB yuan and not more than 100,000 RMB yuan by the Maritime Administration. The persons who are directly in charge and the other persons who are directly responsible for the non-start of the emergency response preplan shall be

imposed a fine of not less than 10,000 RMB yuan and not more than 20,000 RMB yuan. In case the persons mentioned above are crewmembers, then the penalty of detaining the competency certifications or other relevant certificates for not less than 1 month and not more than 3 months shall be imposed concurrently.

Article 70 In case of violation of the Regulation that a vessel and/or an unit in operation fail(s) to report or delay in reporting the pollution to the Maritime Administration upon the occurrence of the vessel-induced pollution, the vessel and/or the unit shall be imposed a fine of not less than 50,000 RMB yuan and not more than 250,000 RMB yuan by the Maritime Administration. The persons who are directly in charge and the other persons who are directly responsible for the non-report or delay in report shall be imposed a fine of not less than 10,000 RMB yuan and not more than 50,000 RMB yuan. In case that the persons who are directly in charge and other persons who are directly responsible for the non-report or delay in report are crewmembers, then the penalty of detaining the competency certifications or other relevant certificates for not less than 3 month and not more than 6 months shall be imposed concurrently. In case that the vessel and the unit deceive and misrepresent the incident deliberately, a fine of not less than 250,000 RMB yuan and not more than 500, 000 RMB yuan shall be imposed. And the persons who are directly in charge and other persons who are directly responsible for the deceit and the misrepresentation shall be imposed a fine of not less than 50,000 RMB yuan and not more than 100,000 RMB yuan. In case that the persons who are directly in charge and other persons who are directly responsible for the deceit and misrepresentation are crewmembers, then the penalty of revoking the competency certifications or other relevant certificates shall be imposed concurrently.

Article 71 In case of violation of the Regulation that the oil spill dispersant has been used without the authorization of the Maritime Administration, the vessel or other units using such oil spill dispersant shall be imposed a fine of not less than 10,000 RMB yuan and not more than 50,000 RMB yuan.

Article 72 In case of violation of the Regulation that the involving parties and other persons relating to the vessel-induced pollution incident fail to report and provide concerning materials truthfully to the organs organizing the investigation of the incident or the Maritime Administration, and forge, conceal, destroy the evidence or interfere with the investigation and evidence-searching in other ways, a fine of not less than 10,000 RMB yuan and not more than 50,000 RMB yuan shall be imposed by the Maritime Administration.

Article 73 In any of the following cases which are in violation of the Regulation, the ship owners shall be ordered to correct the defaults and a fine of not more than 50,000 RMB yuan may be imposed; In case of refusal to correct the defaults, a fine of not less than 50,000 RMB yuan and not more than 250,000 RMB yuan shall apply:

(1) Failure of shipowners to acquire the coverage of civil liability insurance of vessel-induced oil pollution or the relevant financial securities for vessels navigating in sea areas under the jurisdiction of People's Republic of China;

(2) The coverage of the civil liability insurance of vessel-induced oil pollution or the relevant financial securities is lower than that of the limitation amount for oil-pollution claims provided by Maritime Code of the People's Republic of China, or by the international treaties concluded or acceded to by China.

Article 74 In case of violation of the Regulation that the cargo owners or their agents, who receive the persistent oil cargos carried by sea within waters under jurisdiction of People's Republic of China, fail to pay the vessel-induced oil pollution compensation fund in accordance with the Regulation, the Maritime Administration shall order the defaults be corrected. In case that no correction has been conducted, the Maritime Administration may order that the operation of loading, discharging, lightering of the persistent oil cargos received within waters under the jurisdiction of People's Republic of China be suspended.

In the event that the cargo owners or their agents fail to pay the vessel-induced oil pollution compensation fund within the time limit, an overdue fine of 0.05% of unpaid amount on daily basis shall apply concurrently from the date that the payment is due.

Chapter IX Supplementary Provisions

Article 75 If any international treaty concluded or acceded to by the People's Republic of China contains provisions with respect to preventing and controlling the pollution to the marine environment caused by vessels and its operations, the provisions of the relevant international treaty shall apply, unless the provisions are those on which the People's Republic of China has announced reservations.

Article 76 The fishery departments under people's governments at the county level or above shall be responsible for supervising and administrating the marine environment pollution caused by both non-military vessels within waters of fishing harbours and fishing vessels outside waters of fishing harbours, protecting the ecological environment of fishing

waters, investigating and dealing with fishing pollution incidents regulated by Article 5 (4) of Marine Environmental Protection Law of the People's Republic of China.

Article 77 The military environmental protection departments shall be responsible for supervising and administrating the marine environment pollution caused by the military vessels, investigating and dealing with the pollution incidents arising therefrom.

Article 78 The Regulation shall come into force as of March 1, 2010. The Regulations of the People's Republic of China on the Prevention of Vessel-induced Sea Pollution promulgated by the State Council on December 29, 1983 are to be abolished simultaneously.