



## Frequently Asked Questions

**Q1. The SPRO are all localized and as our ships keep on calling to china different ports, do we require separate contracts or is there any SPRO who has the services in all the ports and we sign one contract for our fleet?**

A: According to the regulation and the detailed rules, the ship operator shall conclude agreement with local SPRO in each port. It means more than one contract have to be concluded if your vessel visit more than one port. So far as we know, there is no a nation-wide SPRO covering all service regions.

**Q2. Any idea whether MSA is considering postponing this regulation due short time and concerns raised by international shipping fraternity**

A: There is no official announcement that the enforcement date would be put back.

**Q3. The IG has issued a recommended spill response contract and authorisation letter for agents to negotiate and sign the contract on behalf of overseas owners/managers/operators. Has this IG recommended spill response contract been approved/accepted by any of SPROs mentioned in the partial list of published name list of SPROs?**

A: Since the IG sample agreement was just announced, there is no positive or negative feedback from individual SPRO to date. But one thing we'd like to draw your attention is that although SPROs are required to hold liability insurance in accordance with their qualification in IG recommended contract, most of SPROs have no such insurance. The time left for them to get such insurance is very limited if the enforcement date is not put back.

**Q4. If SPRO does not accept the Sample Agreement amended by IG, what should the owners/managers/operator do?**

A: In case of this scenario, owners/managers/operators should check with their Club for comments. CMS is obligated to get the approval from owners/managers/operators in written before signing the contract on owners/managers/operators' behalf.

**Q5. What's the retainer fee structure?**

A: As you may know, CACEM (an association of a number SPROs in the various Chinese ports) has issued a set of guidance retainer fee which is however deemed as significantly high by IG. So far as we know, different SPRO in different port cities has different expectation on the retainer fee they wish to charge from shipowner. However, as it is a competitive market, we do believe the charge is negotiable. CMS is now discussing with SPRO one by one to approach a price favorable to our clients. At present, some of SPRO still insist the rate recommended by CACEM or a little discount depending on the quantity of fleet, but some of them would like to accept voyage rate, i.e. a fixed amount to be charged per voyage in certain port no matter how long the ship will stay in the port. Up to now, nobody is willing to accept annual fee structure.



**Q6. What's the service fee structure of CMS?**

A: As you see in Club's circular, CMS offers two options for collecting our service fee.

The first option is annual registration fee only at USD 2000 and above depending on the ship number of a fleet. (for example, a fleet within 10 ships will be charged USD 2000 only, and a fleet with ships 11 to 20 will be charged at USD 2500, and so on). In this model, our clients could obtain the maximum convenience, i.e. her fleet will be served at any port following 365 days after the service contracts is signed.

The second option is USD 300 per contract in one particular port. It is an annual/voyage contract with a particular SPRO. However, the retainer fee charged by the particular SPRO would be negotiated case by case. We'll get the client's approval on the retainer fee before we sign contracts on owners/managers/operators' behalf. And the retainer fee for each voyage has to be paid to SPRO directly or via CMS before the ship's leaving the port.

**Q7. If CMS is authorized to conclude contract on owner/manager/operator's behalf, what's documents should be given?**

- CMS Service Contract;
- LoA on the form given by IG on December 6 2011;
- Fleet list with particulars;
- Voyage Schedule in next year (or approximately calling ports according to last year history)

**Q8. Do you have a contact list of CMS giving important contact details (names, addresses, communication details, etc.)?**

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