

EXAMPLES OF ADMINISTRATIVE PENALTIES IMPOSED BY LOCAL PEOPLE’S REPUBLIC OF CHINA (PRC) MARITIME AUTHORITIES

INCIDENTS	PENALTIES IMPOSED
<ul style="list-style-type: none"> • Illegal discharge of domestic sewage, food waste or cargo residue into the sea • Illegal discharge of cargo residue due to ballast water overflow 	<p>A fine of between CNY 10,000 (USD 1,374) to CNY 100,000 (USD 13,743) will be imposed depending upon the type and amount discharged</p> <p>Notes:</p> <p>(1) PRC authorities interpret the “nearest land” under the MARPOL Convention to be the baseline of territorial sea rather than the nearest physical land. Therefore, the nearest distance permitted for discharge of domestic sewage, food waste, cargo residue, wash water and ballast water is calculated from the baselines of the PRC territorial seas as designated by the PRC government.</p> <p>(2) For the Bohai Sea, the discharge of untreated domestic sewage, food waste, cargo residue and wash water are strictly prohibited.</p>
Failure to truthfully record and preserve the records of discharge of marine pollutants	A fine not exceeding CNY 100,000 (US\$ 13,743) will be imposed
Failure to acquire approval from the Maritime Safety Administration (MSA) in advance of discharging ballast water	A fine not exceeding CNY 20,000 (US\$ 2,749) will be imposed
Vessels that are not equipped with domestic sewage storage tank discharge treated domestic sewage into the river via the domestic sewage treatment device whilst alongside in the Yangtze River	A fine of between CNY 20,000 (US\$ 2,749) and CNY 30,000 (US\$ 4,123) will be imposed
<p>For PRC flagged vessels only:</p> <ul style="list-style-type: none"> • Vessel flies a damaged PRC flag • Vessel flies a PRC flag of incorrect size • Vessel flies a PRC flag upside down 	A fine of between CNY 20,000 (US\$ 2,749) and CNY 200,000 (US\$ 27,487) will be imposed, relevant liable person(s): (1) fined between 2,000 (US\$ 275) and CNY 20,000 (US\$ 2,749); and (2) may be subject to a suspension or revocation of their certificates of competency
Failure to display signal flags properly	A fine of between CNY 20,000 (US\$ 2,749) and CNY 200,000 (US\$ 27,487) will be imposed, relevant liable person(s): (1) fined between 2,000 (US\$ 275) and CNY 20,000 (US\$ 2,749); and (2) may be subject to a suspension or revocation of their certificates of competency
Flag “B” is not displayed when the vessel is discharging dangerous goods	A fine of between CNY 20,000 (US\$ 2,749) and CNY 200,000 (US\$ 27,487) will be imposed, relevant liable person(s): (1) fined between 2,000 (US\$ 275) and CNY 20,000 (US\$ 2,749); and (2) may be subject to a suspension or revocation of their certificates of competency
Vessel is found emitting black smoke in waters along the Yangtze River	A fine of between CNY 1,000 (US\$ 137) and CNY 50,000 (US\$ 6,872) will be imposed
Vessel fails to maintain a safe speed, a strengthened lookout and/or fails to comply with special navigation rules within an area when entering or leaving port, anchorages, passes under bridges, through straits, narrow water ways, waters with fish farms or areas with dense concentrations of navigable vessels, routing zones or traffic control zones.	A fine of between CNY 20,000 (US\$ 2,749) and CNY 200,000 (US\$ 27,487) will be imposed, relevant liable person(s): (1) fined between 2,000 (US\$ 275) and CNY 20,000 (US\$ 2,749); and (2) may be subject to a suspension or revocation of their certificates of competency