



**International Maritime Law Institute**



**The Legislative Drafting Project Submitted for the Partial Fulfillment  
of the Requirements for the Award of the Degree of Master of Laws at  
the IMO International Maritime Law Institute**

**Entitled**

**The Law of the People's Republic of China on Civil Liability for  
Bunker Oil Pollution Damage and the Regulating Rules**

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**Academic Year: 2003/2004**

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The objective of this draft legislation is to incorporate the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001 into the domestic legislation of the People's Republic of China

## **Background**

### **The Bunker Convention**

#### **Introduction**

The International Convention on Civil Liability for Bunker Oil Pollution Damage (the Bunker Convention) together with three accompanying resolutions was adopted in March 2001 at a diplomatic conference under the auspices of IMO. The adoption of the Bunker Convention signified the accomplishment of IMO's task to establish a comprehensive set of unified international rules governing the award of prompt and effective compensation to victims of all types of ship-sourced marine pollution.

The Bunker Convention is aimed at solving the problem of compensation for pollution damage caused by the bunker oil of the ships falling outside of the scope of the International Convention on Civil Liability for Oil Pollution Damage, 1992 (CLC 92). In view of this purpose of plugging the gap in the liability and compensation regime for bunker oil pollution of non-tankers, the Bunker Convention is in large measure moulded on the CLC 92 in terms of its structure and content. As with the CLC 92, the Bunker Convention adopts a strict liability regime coupled with limitation of liability and compulsory insurance; it reproduces the scope of application as that in the CLC 92, namely, it applies to pollution damage caused in the territory (including territorial sea) and the Exclusive Economic Zone of a State Party and preventive measures wherever taken; it accords the same meanings to the definitions "preventive measures", "incident" and "pollution damage" as they appear in the CLC92.

#### **Some Key Provisions in Perspective**

The Bunker Convention consists of 19 articles. The key provisions are articles 3, 6 and 7 on liability of shipowner, limitation of liability and compulsory insurance respectively.

##### Article 3----Liability of the Shipowner

By Article 3 the shipowner is strictly liable for pollution damage caused by bunker oil unless he can prove damage is caused by force majeure, the willful misconduct of a third party or the negligence of government in maintenance of navigational aids---exemptions of liability common in other liability and compensation regimes. The article also provides that if more than one person as defined in the shipowner is liable their liability shall be joint and several, since "shipowner" in the Bunker Convention has a wider coverage than that in the CLC 92, including the registered owner, bareboat charterer, manager and operator of the ship.

A notable feature in article 3 is that it does not lay down a standard provision on channeling of liability as found in the CLC 92 and International Convention on Liability

and Compensation for Damage in Connection With the Carriage of Hazardous and Noxious Substances By Sea, 1996 (the HNS Convention).

#### Article 6---Limitation of Liability

By article 6 the shipowner and the insurer (including the person or persons providing other financial security) are entitled to limit their liability under any applicable national or international regime, such as the Convention on Limitation of Liability for Maritime Claims, 1976 (LLMC 76), as amended. The article does not in itself set a clear limit but links this question with a national or international regime.

#### Article 7---Compulsory Insurance or Financial Security

Article 7(1) prescribes three relevant aspects relating to compulsory insurance, namely, a threshold for the ship to take out insurance, who is responsible for taking out such insurance and the level of insurance. By article 7(1) the registered owner of a ship over 1000 gross tonnage is required to maintain insurance or other financial security to cover the liability under the Bunker Convention to an amount equal to the limits of liability as stipulated in article 6 and not exceeding an amount calculated in accordance with the LLMC 76, as amended.

Article 7(10) provides for the mechanism of direct action against the insurer, including, in particular, defences and rights available to the insurer. Article 7(15) allows the ships of a State Party operating exclusively in domestic trades to opt out of the requirement of compulsory insurance. The other provisions in article 7 set out in a detailed manner the administrative matters governing the certificates of insurance or other financial security as required.

#### **Ambivalence in the Convention**

First, the Bunker Convention does not have a standard provision on channeling of liability as found in the CLC 92 or the HNS Convention. This in particular will impinge on the person performing salvage operations to prevent or minimize pollution or any person taking preventive measures, in other words, it may expose the responders to liability under the Convention. Consequently, the diplomatic conference adopted a resolution calling upon the State Party to consider in the domestic legislation the need to introduce legal provision on protection for persons taking measures to prevent or minimize the effects of oil pollution. The resolution also recommended that states consider paragraphs 5(a), (b), (d), (e) and (f) of article 7 of the HNS Convention as a model for legislation.

Secondly, the Bunker Convention does not set a clear limit of liability of the shipowner and leaves the limit to be addressed by a State Party according to the national regime or international regime, such as LLMC 76, as amended. It could be said that this broad discretion given to a State Party undermines the objective of the Convention to unify or harmonize the international rules in this particular respect. The resolution on limitation of

liability adopted by the conference urged all states to ratify or accede to the Protocol of 1996 to LLMC 76. This Protocol will enter into force on 13 May 2004 with the tenth ratification done by Malta recently. Therefore, there will be shortly four applicable international regimes running in parallel in respect of the limitation of the shipowner's liability. They are International Convention for the Unification of Certain Rules Relating to the Limitation of the Liability of Owners of Sea-Going Vessels, 1924, International Convention Relating to the Limitation of the Liability of Owners of Sea-Going Ships, 1957, LLMC 76 and the Protocol of 1996 to LLMC 76. Since the first three conventions are still adhered to by quite a number of countries in the world, the limits in these conventions may put a question mark on the adequacy of the compensation available to the claimants.

### **Conclusions**

The Bunker Convention is intended to fill a lacuna in the liability and compensation regime for ship-sourced oil pollution. It imposes a compulsory insurance regime on all ships over 1000 gross tonnage (other than those covered by the CLC 92) in respect of their liability for bunker oil pollution damage to ensure that the victims of bunker oil pollution will be promptly, adequately and effectively compensated under the Convention. It will have an impact on a substantial part of the world shipping tonnage.

To date, the Bunker Convention has only three contracting states, Spain, Jamaica and Tonga. According to article 14, the Convention shall enter into force one year following the date on which 18 States, including five States each with ships whose combined gross tonnage is not less than 1,000,000 have either signed it without reservation as to ratification, acceptance or approval or have deposited instruments of ratification, acceptance, approval or accession with the Secretary-General of IMO. With such strict condition for entry into force of the Convention, there is still a long way to go for the final entry into force of the Bunker Convention.

## **China and the Bunker Convention**

### **The Maritime Policy of the Chinese Government**

China has a long coastline as well as a sizable national fleet in terms of the registered gross tonnage in the world. There is a constant tension between the development of the shipping industry and the protection of the marine environment. The balance between these two interests was seen tipped more in favour of the shipping industry in the 1980s in order to protect and promote the national shipping interest. However, with the fast economic growth in the recent decade, the Chinese Government and the public have been increasingly aware of the important role of environmental protection in the sustainable development of its economy. Within this broad context, the balance has been gradually shifted towards the protection of the marine environment. The need to protect the marine environment is further accentuated by the related coastal interests in the use of oceans. The prevailing maritime policy in China is focused on fostering a quality, competitive and environmental-friendly shipping industry. China has ratified or acceded to virtually all major conventions on safety of navigation at sea and marine environmental protection adopted by IMO and committed itself to the fulfillment of the duties and obligations under these conventions.

### **China's Position on the Bunker Convention**

Statistics in recent years have shown that each year there were a number of pollution incidents caused by spills of ships' bunker oil off the Chinese coast. These incidents caused damage to the marine environment, marine resources, aquaculture and related interests. The victims were very often barely compensated since most of these shipping companies had only a single ill-conditioned ship without insurance cover for liability for bunker oil pollution. Furthermore, maritime authorities are often burdened with a financial bill incurred as a result of taking preventative measures or clean-up operations.

Although China has acceded to the CLC 92, there is no special domestic legislation governing the liability and compensation for bunker oil pollution from non-tankers. In view of the situation of bunker oil pollution off the Chinese coast, it is imperative to develop a domestic law on the liability and compensation for bunker oil pollution. The best way to this end is to incorporate the key provisions of the Bunker Convention into Chinese law.

## **Explanatory Note on the Draft Legislation**

### **Form of the Legislation**

The draft legislation is designed to incorporate the key provisions of the Bunker Convention concerning the liability regime for bunker oil pollution, limitation of liability and compulsory insurance. Although the draft legislation is not a mirror image of the Bunker Convention, the philosophy is to adopt as many provisions of the Convention as practicable into the domestic legislation with the least possible modifications. In so doing, it is intended to keep the draft in harmony with the rules of the Bunker Convention.

The General Principles of the Civil Law of China in its Chapter VI on Civil Liability provide that as a general rule tortious liability is based on fault and no-fault liability (strict liability) does not apply except as otherwise stipulated by the law. The Legislative Law\* also in its Chapter II on Laws enumerates the items, which cannot be delegated to the subsidiary regulations, these include, inter alia, matters dealing with basic civil matters and the judicial system. The draft legislation is therefore, as dictated by the above requirements and also according to domestic drafting style, divided into two separate but related parts; the first part is a law for the purpose of introducing the provisions governing civil matters of strict liability, limitation of liability and compulsory insurance into the domestic legislation, the second is a delegated regulation, rules dealing with administrative matters of the certificate of insurance or other financial security as embodied in a considerable number of the provisions of article 7 of the Bunker Convention.

### **A Skeleton of the Draft Law**

The draft law falls into nine chapters. The substantive provisions concerning the liability regime, limitation of liability and compulsory insurance are contained in Chapters II, III and IV respectively. The technical or procedural provisions for the purpose of satisfying domestic legislative formalities are set out in the first and last chapters of the law.

Chapter I includes the provisions on the objective of the law, definitions and scope of application.

Chapter II sets out the liability issue of the shipowner, especially inserts in article 11 a standard channeling of liability provision modelled on paragraphs 5(a), (b), (d), (e) and (f) of article 7 of the HNS Convention taking into account the recommendation of IMO resolution on protection for the persons taking measures to prevent or minimize the effects of pollution.

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\* Legislative Law 2000 mainly lays down the limits of legislative powers of different state organs.

Chapter III makes it clear that the shipowner is entitled to limit liability in an amount as calculated in accordance with article 210 of the Maritime Code of the People's Republic of China (mainly reflection of article 6 (1) of LLMC 76).

Chapter IV mainly incorporates the provisions of article 7 of the Bunker Convention but leaves out the administrative provisions governing the certificate of insurance or financial security, which are separately set out in the Regulating Rules.

Chapter V, as a collorary to Chapter III, provides for the right of related persons to constitute the limitation fund.

Chapters VI and VII deal with the procedural matters of limitation of actions and jurisdiction. Chapter VIII inserts a standard article normally found in any of the Chinese civil or commercial laws as to application of law in relation to matters involving foreign element and establishes the supremacy of treaty over domestic law in the event of any inconsistency.

The last chapter mainly lays down the date of entry into force of the law. According to the principle "One Country, Two Systems" as enshrined in the Basic Law of the Hong Kong Special Administrative Region and the Basic Law of the Macau Special Administrative Region, the Hong Kong Special Administrative Region and Macau Special Administrative Region are authorized by the National People's Congress to exercise a high degree of autonomy and enjoy executive, legislative and independent judicial power, including that of final adjudication respectively. Therefore, the new law also clarifies in the last chapter that it is only applicable to the mainland of the People's Republic of China.

**Order of the President of the People's Republic of China**

No.---

The Law of the People's Republic of China on Civil Liability for Bunker Oil Pollution Damage, adopted at the ---- Meeting of the Standing Committee of the Tenth National People's Congress of the People Republic of China on -----(date), is hereby promulgated and shall enter into force on the date of promulgation.

Hu Jintao

President of the People's Republic of China

----- (date)



## **The Law of the People's Republic of China on Civil Liability for Bunker Oil Pollution Damage**

(Adopted at the --- Meeting of the Standing Committee of the Tenth National People's Congress on---(date), promulgated by Order No. -- of the President of the People's Republic of China on ----(date), and effective on the date of promulgation )

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## **Chapter I General Provisions**

Article 1 This Law is enacted to introduce a strict liability and compulsory insurance regime for determining the question of liability and ensuring the payment of adequate, prompt and effective compensation in respect of pollution damage caused by the escape or discharge of bunker oil from ships with a view to enhancing the protection of the marine environment and related interests.

Article 2 For the purpose of this Law:

1. "Ship" means any seagoing vessel and seaborne craft, of any type whatsoever.
2. "Person" means any individual or partnership or any public or private body, whether corporate or not, including state or any of the constituent subdivisions.
3. "Shipowner" means the owner, including the registered owner, bareboat charterer, manager and operator of the ship.
4. "Registered owner" means the person or persons registered as the owner of the ship or, in the absence of registration, the person or persons owning the ship. However, in the case of a ship owned by the People's Republic of China and operated by a company which is registered as the ship's operator, registered owner shall mean such company.
5. "Bunker oil" means any hydrocarbon mineral oil, including lubricating oil used or intended to be used for the operation or propulsion of the ship and any residues of such oil.
6. "Preventive measures" means any reasonable measures taken by any person after an incident has occurred to prevent or minimize pollution damage.
7. "Incident" means any occurrence or series of occurrences having the same origin, which causes pollution damage or creates a grave and imminent threat of causing such damage.
8. "Pollution damage" means:
  - (a) Loss or damage caused outside the ship by contamination resulting from the escape or discharge of bunker oil from the ship, wherever such escape or discharge may occur, but compensation for impairment of the environment other than loss of profit from such impairment shall be limited to costs of reasonable measures of reinstatement actually undertaken or to be undertaken; and
  - (b) The costs of preventive measures and further loss or damage caused by preventive measures.

Article 3 This Law shall apply exclusively to:

1. Pollution damage caused
  - (a) in the territory, including the territorial sea of the People's Republic of China, and
  - (b) in the Exclusive Economic Zone of the People's Republic of China established in accordance with the Law of the People's Republic of China on the Exclusive Economic Zone and the Continental Shelf, 1998 and
2. Preventive measures, wherever taken, to prevent or minimize such damage.

Article 4 This Law shall not apply to pollution damage as defined in the International Convention on Civil Liability for Oil Pollution Damage, 1992, as amended, whether or not compensation is payable in respect of it under that Convention.

Article 5 This Law shall not apply to ships engaged in military service or ships used on government non-commercial service.

## **Chapter II**

### **Liability of the Shipowner**

Article 6 Subject to articles 8 and 9, the shipowner at the time of an incident shall be liable for pollution damage caused by the bunker oil on board or originating from the ship; if an incident consists of a series of occurrences having the same origin, the liability shall attach to the shipowner at the time of the first of such occurrences.

Article 7 Where more than one person is liable in accordance with article 6, their liability shall be joint and several.

Article 8 The shipowner shall incur no liability for pollution damage if the shipowner proves that :

1. the damage resulted from an act of war, hostilities, civil war, insurrection or a natural phenomenon of an exception, inevitable and irresistible character; or
2. the damage was wholly caused by an act or omission done with the intent to cause damage by a third party; or
3. the damage was wholly caused by the negligence or other wrongful act of any government authority responsible for the maintenance of lights or other navigational aids in the exercise of that function.

Article 9 If the shipowner proves that the pollution damage resulted wholly or in part either from an act or omission done with intent to cause damage by the person who suffered the damage or from the negligence of that person, the shipowner may be exonerated wholly or in part from liability to such person.

Article 10 No claim for compensation for pollution damage shall be made against the shipowner otherwise than in accordance with this Law.

Article 11 Subject to article 12, no claim for compensation for bunker pollution damage may be made against:

1. the servants or agents of the shipowner or the members of the crew;
2. the pilot or any other person who, without being a member of the crew, performs services for the ship;
3. any person performing salvage operations with the consent of the shipowner or on the instructions of a competent public authority;
4. any person taking preventive measures; and
5. the servants or agents of persons mentioned in paragraphs 3 and 4;

unless the damage resulted from their personal act or omission, committed with the intent to cause such damage, or recklessly and with knowledge that such damage would probably result.

Article 12 Nothing in this Law shall prejudice any right of recourse of the shipowner against any third party, which exists independently of this Law.

Article 13 When an incident involving two or more ships occurs and pollution damage results therefrom, the shipowners of all the ships concerned, unless exonerated under article 8 or article 9, shall be jointly and severally liable for all such damage which is not reasonably separable.

### **Chapter III Limitation of Liability**

Article 14 The shipowner shall be entitled to limit liability to an amount as calculated in accordance with article 210 of the Maritime Code of the People's Republic of China.

Article 15 The shipowner shall not be entitled to limit liability if it is proved that the loss resulted from the personal act or omission of the shipowner, committed with the intent to cause such damage, or recklessly and with knowledge that such damage would probably result.

### **Chapter IV Compulsory Insurance or Financial Security**

Article 16 The registered owner of a ship having a gross tonnage greater than 1000 registered in the People's Republic of China shall maintain insurance or other financial security, such as the guarantee of a bank or similar financial institution, to cover the liability of the registered owner for pollution damage in an amount equal to the limits of liability as prescribed in article 14.

Article 17 A certificate attesting that insurance or other financial security is in force shall be issued to the ships that have complied with the requirements of article 16. The China Maritime Safety Administration shall be responsible for making rules for the regulation of such certificate.

Article 18 Any claim for compensation for pollution damage may be brought directly against the insurer or other person providing financial security for the registered owner's liability for pollution damage. In such a case the defendant may invoke the defences (other than bankruptcy or winding up of the shipowner) which the shipowner would have been entitled to invoke, including limitation pursuant to article 14. Furthermore, even if shipowner is not entitled to limitation of liability according to article 14, the defendant may limit liability to an amount equal to the amount of the insurance or other financial security required to be maintained in accordance with article 16. Moreover, the defendant may invoke the defence that the pollution damage resulted from the willful misconduct of the shipowner, but the defendant shall not invoke any other defence which the defendant might have been entitled to invoke in proceedings brought by the shipowner against the defendant. The defendant shall in any event have the right to require the shipowner to be joined in the proceedings.

## **Chapter V Constitution of the Limitation Fund**

Article 19 Subject to article 213 of the Maritime Code of the People's Republic of China and article 101 of the Maritime Procedural Law of the People's Republic of China, the shipowner and the person or persons providing insurance or other financial security may constitute a fund with the maritime court in the People's Republic of China before which actions are brought in respect of claims under this Law.

The fund shall be constituted in the sum of such of the amounts calculated in accordance with article 14 as are applicable to claims for which that person may be liable, together with interest thereon from the date of the occurrence giving rise to the liability until the date of the constitution of the fund.

## **Chapter VI Limitation of Actions**

Article 20 Rights to compensation under this Law shall be extinguished unless an action is brought within three years from the date when the damage occurred. However, in no case shall an action be brought more than six years from the date of the incident which caused the damage. Where the incident consists of a series of occurrences, the six-years' period shall run from the date of the first such occurrence.

## **Chapter VII Jurisdiction**

Article 21 Subject to article 7 of the Maritime Procedural Law of the People's Republic of China, actions for compensation against the shipowner, insurer or other person providing security for the shipowner's liability may be brought only before the maritime court in the People's Republic of China:

1. Where the incident causing pollution damage takes place; or

2. Where pollution damage has been sustained; or
3. Where preventive measures have been taken to prevent or minimize pollution damage in such area.

Reasonable notice of any action taken under the preceding paragraph shall be given to each defendant.

### **Chapter VIII**

#### **Application of Law in Relation to Matters Involving Foreign Element**

Article 22 If any provision of this Law is inconsistent with the provisions contained in any treaty to which the People's Republic of China is a Party, the relevant provisions in that treaty shall prevail unless the provisions are those in relation to which the People's Republic of China has made reservations.

The rules of customary international law or international usages may apply in the absence of express stipulation by the laws of the People's Republic of China or the treaties to which the People's Republic of China is a Party.

### **Chapter IX**

#### **Supplementary Provisions**

Article 23 Subject to the Basic Law of the Hong Kong Special Administrative Region and the Basic Law of the Macao Special Administrative Region, this Law is not applicable to these two Special Administrative Regions.

Article 24 This Law shall come into effect on the date of its promulgation.

**Decree of the Ministry of Communications of  
the People's Republic of China**

No.----

The Rules of the People's Republic of China for Regulating the Certificate of Insurance or Other Financial Security in Respect of Civil Liability for Bunker Oil Pollution Damage, adopted at the ---- Executive Meeting of the Ministry of Communications of the People Republic of China on -----(date), is hereby promulgated and shall enter into force on the date of promulgation.

Zhang Chunxian

Minister of Communications

----- (Date)

**The Rules of the People's Republic of China for Regulating the Certificate of  
Insurance or Other Financial Security in Respect of  
Civil Liability for Bunker Oil Pollution Damage**

(Adopted at the ---- Executive Meeting of the Ministry of Communications of the People Republic of China on -----(date), is hereby promulgated and shall enter into force on the date of promulgation.)

**Chapter I  
General Provisions**

Article 1 These Rules are established to regulate the certificate of insurance or other financial security in respect of civil liability for bunker oil pollution damage in accordance with the Bunker Liability Law.

Article 2 For the purpose of these Rules:

1. "Bunker Liability Law" means the Law of the People's Republic of China on Civil Liability for Bunker Oil Pollution Damage.
2. "Ship" in these Rules has the same meaning as assigned by the Bunker Liability Law.
3. "Certificate" means the certificate of insurance or other financial security in respect of civil liability for bunker oil pollution damage.

Article 3 The China Maritime Safety Administration is the competent authority to issue the Certificate under the Bunker Liability Law.

**Chapter II  
Conditions for the Issue and Withdrawal of the Certificate**

Article 4 The Certificate shall be issued to a ship registered in the People's Republic of China after the China Maritime Safety Administration has determined that the requirements of article 16 of the Bunker Liability Law have been complied with.

Article 5 The Certificate shall be withdrawn by the China Maritime Safety Administration if the insurance or other financial security as prescribed in article 16 of the Bunker Liability Law is no longer maintained.

Article 6 An insurance or other financial security shall not satisfy the requirements of article 16 of the Bunker Liability Law if it can cease, for reasons other than the expiry of the period of validity of the insurance or security specified in the Certificate, before three months have elapsed from the date on which notice of its termination is given to the China Maritime Safety Administration, unless the Certificate has been surrendered to the China Maritime Safety Administration or a new Certificate



has been issued within the said period. The foregoing provisions shall similarly apply to any modification that results in the insurance or security no longer satisfying the requirements of article 16 of the Bunker Liability Law.

### **Chapter III Requirements in Relation to the Certificate**

Article 7 The Certificate shall be in the form of the model set out in the annex to these Rules and shall contain the following particulars:

1. Name of ship, distinctive number or letters and port of registry;
2. Name and principal place of business of the registered owner;
3. IMO ship identification number;
4. Type and duration of security;
5. Name and principal place of business of insurer or other person giving security and, where appropriate, place of business where the insurance or security is established;
6. Period of validity of the Certificate which shall not be longer than the period of validity of the insurance or other security.

Article 8 If insurance or other financial security is not maintained in respect of a ship owned by the State, the provisions of these Rules shall not be applicable to such ship, but the ship shall carry a certificate issued by the China Maritime Safety Administration stating that the ship is owned by the State and that the ship's liability is covered to the extent of that prescribed in accordance with article 16 of the Bunker Liability Law. Such a certificate shall follow as closely as possible the model prescribed by article 7.

Article 9 The Certificate shall be in Chinese and the text shall include a translation into English, French or Spanish. The translation may be omitted in relation to ships solely engaged in domestic trade.

Article 10 The Certificate shall be carried on board the ship and a copy shall be deposited with the China Maritime Safety Administration.

### **Chapter IV Penalties**

Article 11 The provisions in this Chapter shall apply to any ship, wherever registered.

Article 12 A ship having a gross tonnage greater than 1000 shall not enter or leave a port in the People's Republic of China or arrive at or leave a terminal in the territorial sea of the People's Republic of China unless a certificate has been issued in accordance with article 4 or a certificate attesting insurance or other security as prescribed in article 7 of the International Convention on Civil Liability for Bunker Oil Pollution Damage is in force has been issued in respect of any foreign ship.

Nor shall such ship, if it is registered in the People's Republic of China, enter or leave a port in any other state or arrive at or leave a terminal in the territorial sea of any other state unless the Certificate has been issued in accordance with article 4.

Article 13 If a ship enters or leaves, or attempts to enter or leave, a port or arrives at or leaves, or attempts to arrive at or leave, a terminal in contravention of article 12 above, the master or owner shall be liable to a fine not exceeding RMB 5,000;

Article 14 The Certificate shall be carried on board the ship, and shall, on demand, be produced by the master to any officer of the China Maritime Safety Administration.

Article 15 If a ship fails to carry, or the master of a ship fails to produce, a Certificate as required by article 14 above, the master shall be liable to a fine not exceeding RMB 1000.

Article 16 If a ship attempts to leave a port in the People's Republic of China in contravention of this chapter, the ship may be detained.

#### **Chapter V Supplementary Provisions**

Article 17 These Rules shall come into effect on the date of their promulgation.

**ANNEX**

**CERTIFICATE OF INSURANCE OR OTHER FINANCIAL SECURITY  
IN RESPECT OF CIVIL LIABILITY FOR BUNKER OIL POLLUTION DAMAGE**

Issued in accordance with the provisions of Article 16 of the  
Law of the People's Republic of China on Civil Liability for Bunker Oil Pollution Damage

Name of Ship	Distinctive Number of Letters	IMO Ship Identification Number	Port of Registry	Name and Full Address of the Principal Place of Business of the Registered Owner

This is to certify that there is in force in respect of the above-named ship a policy of insurance or other financial security satisfying the requirements of article 16 of the Law of the People's Republic of China on Civil Liability for Bunker Oil Pollution Damage.

Type of Security .....

Duration of Security .....

Name and address of the insurer(s) or guarantor(s) or both,

Name .....

Address .....

.....

This certificate is valid until.....

The present certificate is issued under the authority of the Government of the People's Republic of China by China Maritime Safety Administration

At ..... On .....  
(Place) (Date)

.....  
(Signature and Title of issuing or certifying official)

**Explanatory Notes:**

1. If the total amount of security has been furnished by more than one source, the amount of each of them should be indicated.
2. If security is furnished in several forms, these should be enumerated.
3. The entry "Duration of Security" must stipulate the date on which such security takes effect.
4. The entry "Address" of the insurer(s) or guarantor(s) or both must indicate the principal place of business of the insurer(s) or guarantor(s) or both. If appropriate, the place of business where the insurance or other security is established shall be indicated.