



China tightens verification of ships' energy consumption data

From 22 December 2022, ships trading to Chinese ports must record their energy consumption data in accordance with the requirements of their Ship Energy Efficiency Management Plan (SEEMP). Ships must also report the consumption data from their last voyage to the Chinese authorities prior to leaving a Chinese port.

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In November 2022, China MSA published the Regulation of Administrative Measures of Ship Energy Consumption Data and Carbon Intensity, (in Mandarin – type: asset-hyperlink id: 01610afa58ab48198e3e7637bbdc89f0), The regulation will come into force on 22 December 2022. A few provisions apply to both Chinese and foreign flagged ships of 400 GT and above that enter or exit Chinese ports. Most of the provisions are China's implementation of Marpol Annex VI and not applicable to foreign flagged vessels. The regulations do not apply to military, fishing or sports vessels.

Below is a summary of the key requirements:

Ship energy consumption data collection and reporting

- **Data collection standard:** Ships must collect and report ship energy consumption data in accordance with the new regulation and the type: asset-hyperlink id: 5f3b4ee75ddd4d0ba9eafc8b23408c08 (JT/T 1340).
- Data recording: Chinese flagged ships on international voyages and foreign ships entering or leaving Chinese ports must record the ship's energy consumption data in the ship's logbook or other relevant documents in accordance with the requirements of the Ship Energy Efficiency Management Plan (SEEMP). The data records must be kept onboard for at least 2 years and be available for inspection by the Chinese Maritime Safety Authority (MSA).
- **Data reporting:** Chinese flagged ships on international voyages and foreign ships must report the energy consumption data of the previous voyage to the MSA. For foreign flag vessels, this is done as part of the departure clearance procedures
- Reporting channels: Vessels must report the energy consumption data using the relevant maritime information platform or system nominated by the China MSA. This would usually be China MSA's reporting portal. The MSA reporting portal does not seem to have an English language option, so we advise members to seek assistance from their local agents. Chinese flagged ships on international voyages must report the energy efficiency index data to their class society in accordance with the MARPOL Convention. Class will verify the data and submit it to the authorized MSA within the agreed time.

Requirements on Carbon Intensity Management for Chinese flagged vessels on international voyages

The new regulation sets out specific requirements for the energy efficiency management of Chinese flagged ships on international voyages. These specific requirements are the Chinese implementation of MARPOL Annex VI and not applicable to international vessels that call to Chinese ports which will be subject to their own flag state's implementation of SEEMP. The requirements include:

- Obtaining an International Energy Efficiency Certificate (IEEC), the preparation of a SEEMP, and issuing a Confirmation of Conformity (COC) for vessels of 5,000 GT or above whose SEEMP passes verification.
- It also contains requirements on issuing of the new COC. This is issued when the ship changes owner, operator or manager, or undergoes a major conversion, or where the vessel has been found to be non-compliant when implementing the SEEMP by the MSA in a random inspection.
- Chinese ships of 5,000 GT and above and on international voyages must report their annual energy consumption data for the previous calendar year together with supporting documents to the authorized MSA before March 31 each year. The original energy consumption data must be retained until the end of the following year.

- Ships to which Regulation 28 of Annex VI of MARPOL Convention apply must also report the annual operational carbon intensity and relevant supporting documents for the previous calendar year, which will be verified and rated by the authorised MSA.
- A vessel rated 'D' for three consecutive years or 'E' for a single year will have to update their SEEMP with a corrective action plan and submit the revised SEEMP to the authorized MSA for verification.

Change of nationality, ownership or management of Chinese vessel

When a Chinese vessel of 5,000 GT and above on international voyages changes nationality, owner, operator or manager, it must, within one month from the date of completion of the change, report to the authorized MSA the energy consumption data of the previous calendar year and the energy consumption data of the current year up to the date of the change. A Statement of Compliance (SoC) on Fuel Consumption and Operational Carbon Intensity will be issued by the MSA after verification.

Legal consequences

Vessels that fail to report the energy consumption data in accordance with the new regulations will be subject to the penalties set out in <u>the Administrative Provisions of China on the Prevention and Control of Marine Environmental Pollution by Vessels and Their Operations</u> (Article 52)(in Mandarin only)

The fines for such violations are usually around CNY 2,000 (about USD 286), according to the authorities. However, as of 2022, the level of the fines has increased. Furthermore, we understand the fines will be significantly increased following the revision of the Marine Environmental Protection Law of China, which has been included in China's schedule of legislative work.

Recommendations

- 1. Masters of vessels calling Chinese ports should familiarize themselves with the new regulation and contact their local agents for information to ensure compliance.
- 2. Before leaving a Chinese port, a vessel subject to the new regulation must submit reports to MSA detailing the vessel's energy consumption for the last completed voyage preceding the arrival at that port.

In addition to JT/T 1340, please also see the <u>Energy Consumption Data Collection Record Form</u> and the Data Report Format for the Energy Consumption of Ships annexed to the previous <u>Regulation on Data Collection and Management for Ship Energy Consumption</u>, when preparing the reports which are normally uploaded by the agent to China MSA's reporting portal.