



CHINA RE

华泰保险经纪有限公司

HUATAI INSURANCE AGENCY & CONSULTANT SERVICE LTD.

Circular Ref No.: PNI1701

Date: 5 January 2017

Dear Sirs or Madam,

Subject: *Nairobi International Convention On The Removal Of Wrecks* will come into effect in China on 11 Feb 2017

Nairobi International Convention On The Removal Of Wrecks has entered into force since April 14, 2015, with 31 existing members including Albania, the Bahamas, Cyprus, Bulgaria, Tuvalu, Congo, Denmark, Germany, India, Iran, Malaysia, Morocco, Nigeria, the Republic of Palau, Britain, Cook Islands, Liberia, Marshall Islands, Malta, Antigua and Barbuda, Tonga, Kenya, Niue, Panama, South Africa, France, the Netherlands, St Kitts and Nevis, Switzerland, Jordan and Romania. Two countries will soon join the Convention: Finland (effective as of Jan 27,2017) and China (effective as of Feb 11,2017).

The Convention adopts strict liability and compulsory insurance, regulating that the registered shipowner has the obligation to locate, mark and remove the wrecks considered to pose a hazard within the area covered by the Convention. According to the Article 12 of the Convention, the registered owner of a ship of 300 gross tonnage and above, (a)flying the flag of a State Party, or (b)when entering or leaving a port in its territory, or arriving at or leaving from an offshore facility in its territorial sea, wherever registered, shall be required to maintain the insurance or other financial security and get the certificate attesting that the insurance or other financial security is in force in accordance with the compulsory insurance provisions of this Convention. The certificate must be carried on board.

Ships, except those under 300 gross tonnage, shall apply for the "Nairobi Wreck Removal Blue Card". Similar to other international conventions, the blue card shall contain the following particulars: name of the ship, call sign, port of registry, IMO number, name and principal place of business of the registered owner. In addition to these commons, the gross tonnage of the ship shall also be mentioned. Ships holding the flag of a State Party shall apply for the certificate with the blue card issued by underwriters. The ships holding the flag of a non-Party State shall also apply for the certificate from the relevant

authorities of the State Party.

As the Convention will come into force in China on Feb 11, 2017, the registered owner of a ship with gross tonnage of 300 and above, wherever registered, when entering/leaving a Chinese port, or arriving at /leaving from an offshore facility in Chinese territorial sea, shall carry the Wreck Removal Certificate on board. Ships that intend to call China on or after 11 Feb 2017 are kindly reminded to have the certificate ready in advance.

Hope the above is of assistance. Any query, please feel free to contact us at pni.bj@huatai-serv.com.

Best regards,

A handwritten signature in black ink, consisting of stylized Chinese characters, likely '崔吉宇' (Cui Jiyu).

Cui Jiyu
Vice President